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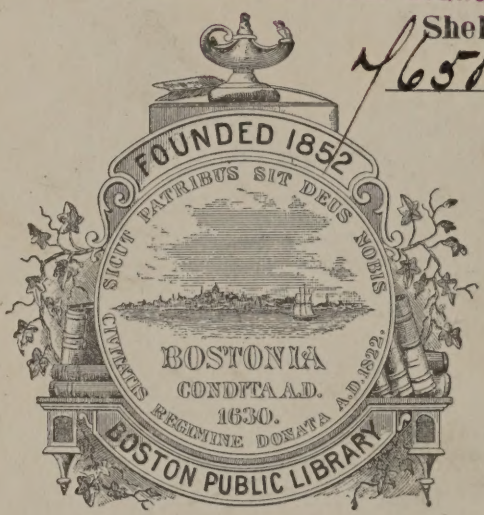

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REPORT

OF THE

INVESTIGATING COMMITTEE

OF THE

BOSTON AND MAINE RAILROAD,

TO THE STOCKHOLDERS.

SEPTEMBER 29th, 1855.

BOSTON:

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REPORT

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REPORT.

The Committee, to whom was entrusted the charge of Investigating the Affairs of the Boston and Maine Railroad, and to whom was referred the Report of the President and Directors of that Corporation, Report as follows:

They have examined the statistics of the earnings and expenses of the Road, and made such comparisons as could be done with the aid of the officers of the corporation.

With regard to the statement of earnings, they see no reason to doubt its correctness.

The expenses of the Road for the past year appear to have been high. They have carefully examined the causes of this increase in cost, and report that it seems mainly attributable to, 1st. The use of horse power for the whole year in reaching their depot; this adds $5000 over the expense of the previous year.

The rent of the Danvers Railroad, $4,551 36, is also a new charge. The cost of working the Road has also increased. The average cost per mile appears to have advanced between 6 and 7 per cent., so that the same number of miles run, this year, cost $23,000 more than last year. By the report of the wood agent, an advance in the price of wood, varying from twenty-five or fifty cents a cord in the country, to one dollar and eleven cents in Boston, took place. An advance in the price of labor also is claimed. Another cause of the great increase of expenditure was the opening of the Danvers Road in October, and the running of it by this company. The account of the Road

is found in the exhibits appended hereto. The number of miles run last year was 81,211 more than in the previous year; of these, near forty thousand, (see Exhibit, p. 29,) were on account of the Danvers Road, and about twenty-two thousand by an express train to Great Falls, discontinued last spring.

A table of the miles run by the different trains for this year and the preceding is appended, which we have supposed would explain the general character of the causes. The increase of the pay roll, evidently, is partly due to these causes, and as our own time did not permit us to investigate further on this head, we cannot say that any cause has operated on it.

SCHEDULE D.

Our attention was drawn to the contents of Schedule D. The fact of so large an amount of notes payable, existing, simultaneously with so much larger an amount of notes receivable, could not be viewed without surprise.

Nothing is more important in the condition of a road than the prudent management of its financial department. The appearance of borrowing money to pay dividends is always suspicious, and awakes alarm among prudent men. Yielding to this influence, we have made a strict examination into this subject.

Our first enquiry was to ascertain if money had been borrowed to pay dividends, and how often. We learned that the system of borrowing, for the payment of dividends, commenced in 1854, and that money was borrowed for the purpose of putting the company in funds to pay each of the two last dividends.

This was a new policy on this road, before unknown. We have sought to discover and explain the causes.

In the spring of 1854 no road in the country was in a better general and financial condition than this; its treasury filled with surplus funds, seeking safe investments on short loans till they should be needed for the use of the road. The lease of the Danvers Road had been made. The condition of the money market had become very unfavorable for unfinished railroads, and a disposition of distrust towards them daily increasing.

The Directors of this Road conceived it to be their policy to sustain and push through to completion the Danvers Road and the Georgetown and Danvers, which was to connect it with the Newburyport Railroad. This policy will be elsewhere commented on. The Georgetown and Danvers had imported their iron, but was unable to pay for it; authority was given the President to advance the money to pay the cost and duties. In pursuance of this, he paid for the iron as it arrived, a sum of $70,000, retaining the iron as security for the advance. This loan was intended to be temporary, but as the Georgetown and Danvers could not proceed without the iron to lay down, after some intermediate negotiations and action, not necessary to be recited, this $70,000 finally, (August, 1854,) was converted into a note of that Corporation, with indorsers, (see Exhibit, p. 36,) due twelve months after date. The Danvers Road by this time was experiencing the difficulties of the money market, and called on this road to make an advance. In November 21 and 23, and December 15, this road advanced $45,060 to the Danvers, as prepayment of rent until 1862. These extraordinary advances exhausted the immediately available funds; and for the purposes of a dividend, five days after this last payment, the Treasurer borrowed money on the notes of the Corporation, as well as discounting some of their notes receivable. Thus was inaugurated the policy of borrowing money to pay dividends at a time when the earnings were greatly in excess of the legitimate expenditures for the purposes of the road. No pretence is made that they were unaware of the position into which they threw the road, when making these last advances; on the contrary they justify the act under the necessity of protecting the new roads till completion.

The floating debt thus created has not yet been extinguished; its shape has changed, but this Corporation has not yet paid off their borrowed money. With the earnings of the past three months they have reduced it to $48,083.

The necessities of the Danvers Road compelled more advances, and in the spring a series of bonds, $125,000 at six per cent., were issued by the Danvers, under authority of the

new lease, and guaranteed principal and interest, by this Corporation. Retaining as collateral, an amount judged sufficient to cover the advances made, the rest was handed to the Danvers Road, forming an additional liability of this road.

Your Committee have sought to discover why the assets of the road had not been converted to the purpose of furnishing funds for these advances to the Danvers Line, instead of diverting current receipts to that purpose. The Table in the Appendix will give full details of the character of these assets. The astounding fact that $132,983 22 of the notes receivable are overdue and dishonored, must be qualified by the facts that some of the sureties are making arrangements to compromise a part of their liabilities, and that collateral to some extent exists. Also, some of the past due have been paid since the Annual Report.

Your Committee have not undertaken an appraisement of the assets in the schedule for obvious reasons. Notes on the tables in the Appendix indicate some additional information. No good reason exists for doubting that the greater part of this paper will eventually be made available for the purposes of the Company.

What appeared singular to us was, that recourse had not been made to these as a fund, to meet the extraordinary investments.

We have examined the prospects of this Company in reference to the next dividend. The outstanding indebtedness, and the extraordinary expense in building and filling some land referred to in the Report of the President and Directors, will go so far to absorb current earnings, as to render a recourse to borrowing, in part, the usual dividend, again necessary in January, without by stringent exertions they succeed in recovering the finances from their present state. Your Committee most earnestly recommend, that the President and Directors use every effort to convert enough of their assets to relieve the road from the odium of a floating debt, and also to bear the unusual expense referred to. By this course the earnings will be restored to their natural channel, and a dividend of their excess

over expenditure be made without exciting an unjust yet natural suspicion to depress the value of the stock.

We called upon the Treasurer for an estimate of his means for meeting the January payment of a dividend. He estimated there would be on hand at that time, beyond present liabilities, from net earnings, $54,000; collections from assets, $47,000; use of balances due other roads, $25,000; less amount expended on bridge and piling (new land) estimated at $16,000, making $110,000 available. A three per cent. dividend would require $123,171. From this it will be seen how difficult it is to escape from the continuation of a floating debt, when once it is permitted to enter into the system of a railroad. The earnings of the road are on as good a footing as heretofore; the prospects for the next three months are fair, and we have no doubt an average dividend will be earned, but shall consider it a work of the highest energy to pay the floating debt from the assets, so as to enable one to be paid without, for the third time, borrowing money for the purpose.

PROSPECTIVE LIABILITIES.

We had supposed that the resolution of the Committee of Investigation, sanctioned by the Stockholders in 1849, making a distinct appropriation for outstanding claims, would protect a large part. The Board of Directors understand that a vote of the Stockholders, Sept. 10th, 1851, "That the Directors be authorized to apply the balance of construction fund to such improvements as the necessities of the Company may require," as repealing the appropriation of 1849—and as authorizing them to charge to construction account. If they are right, no provision exists for coming liabilities. We find the following, to exist:

$100,000 State loan, due Aug. 1, 1857, } Not provided for in
$50,000 State loan, due Aug. 1, 1859, } 1849.
$40,000 due Eben Smith, who is litigating for a larger amount.
$20,000 due Bartlett & Minot, litigation connected with it.
$125,000 claimed by Mr. Hazen of Andover, who has recovered a judgment, evicting us from several hundred

yards of our track, and who demands that sum for his land (20 or more acres), which must be paid, or we change the road, unless the Legislature relieve against it.

$20 to 25,000 in suits for personal damages, &c., as estimated by Mr. Minot. See Appendix.

$7,600 per annum, on Danvers Lease, less the amount of interest on the bonds we shall retain as collateral.

$125,000 guaranteed bonds due in twenty years, as above, less those we shall retain as collateral, estimated about $50,000.

Interest contingent, on Passumpsic preferred stock, as per agreement.

$5000 claim of Great Falls Manufacturing Company.

$6,000 estimated a year on Northern, according to understanding, till certain results arrive,

$47,500 proposed to be expended on new freight house, and the 75,000 feet of land in progress of reclamation—additional to $16,000 estimated by Treasurer for this year.

These are not immediately pressing, but all are in a condition to command financial attention, and have the means of their liquidation foreseen, and to some extent secured. Within two years, one hundred and fifty-eight thousand dollars, ascertained, and perhaps the $125,000 of Hazen, and $60,000 other land claims, must be provided for. It is not in the power of this road to procrastinate them, it depends on others; except the $47,500 item. In our judgment prudence requires a policy to be decided on without delay.

One hundred and twenty-six thousand dollars of the asset account are a working capital of the road that cannot be applied to this. Of the items $17,617.55, and $12,442.68, of that account, all but fourteen or fifteen hundred dollars are in dispute, or absolutely unavailable. $100,000 at least are permanently tied up, so far as present purposes are concerned, in the Danvers Railroad and its connections; nearly half of the interest item is in that. The $5,000 claim against the Cocheco Railroad is under protest and disputed by set offs.

Sufficient data exists in the tables, appended with this sum-

mary, to show the necessity of prudent and economical marshalling of resources to guard against a surprise from those prospective demands. The evil may not occur, but that does not dispense with the duty of watchfulness. Now is the time to prevent it.

THE DANVERS, GEORGETOWN AND DANVERS, AND NEWBUPORT RAILROADS.

In the Annual Report, the reasons moving the minds of the President and Directors of the Boston and Maine to their undertakings with these Roads, are given; it is unnecessary to repeat them. The Committee express their regret that a rivalry in business between the Eastern and the Boston and Maine should ever have led these corporations into the policy of building or sustaining roads from one line to the other, whose legitimate business was inadequate to their support, and which could only become profitable or valuable by diverting traffic from the other great road leading to Boston. The expenditure incurred in creating these causes of reciprocal annoyance, amounts to over 2,500,000 dollars; a large portion of which has been drawn from the treasuries of the two roads. Not only may this capital be considered absolutely sunk, but the leases taken by the respective trunk roads compel them to the performance of a continued, onerous duty of running such roads, at an annual loss, of which we cannot see the end.

The policy of harmonizing the interests of the two great roads, and by agreement, has been commenced, much to the advantage of both roads. Our regret is expressed, that this policy was not commenced before these expenses and contracts were incurred or created. It is now of little practical consequence, which corporation was first in fault; it is of great consequence that this late harmony become permanent, and that every effort be made to recover the losses already accrued, or in perspective, arising from the other policy. We give, at the suggestion of the President and Directors, in the Appendix, the contract by which these unhappy differences are brought to a conclusion, and we congratulate the Stockholders that hereafter we may reasonably expect that the policy of peace

will be permanent. Your Committee distinctly approve of the action of the President and Directors in concluding and ratifying this contract.

The Danvers and Georgetown Road commenced building in 1853. A contract was made between it and the Newburyport, another with the Danvers Road, both dated May 27th, 1853. The object of these roads was to secure through trains by the Boston and Maine, to Boston. Authority had been given by the Legislature, and confirmed by a vote of the Stockholders of the Boston and Maine, to the President and Directors, to make a lease with these roads; and May 30th, 1853, such lease was made by indenture with the Danvers Road, agreeing also to execute their contracts with the other two corporations. The subscriptions and credit of the Danvers, and the Georgetown and Danvers Roads, being insufficient for their completion, they applied to the Boston and Maine for aid, which was granted. To the Newburyport Road was loaned, on notes with endorsers, 26,400 dollars. To the Georgetown and Danvers Road, on notes with endorsers and bonds as collateral, was loaned 70,000 dollars. To the Danvers Road, an advance was made of the money to become due for the hiring until the year eighteen hundred and sixty-two, being 45,060 dollars. See Schedule. This money was taken from the assets of the road and thus invested.

In October last, the Danvers Road was delivered to this Company,—and some work necessary to complete it, as per agreement, was unfinished, some land damages unpaid, some new land necessary for depot purposes there—these items were to be completed by the Boston and Maine, who were to retain the cost, out of rents.

In the early part of this year, the extremely embarrassed condition of the Danvers Road induced further applications on their part. The cost of the road had considerably overrun their estimates. A proposal was finally agreed to, as follows:—The Danvers Road was to execute one hundred and twenty-five thousand dollars of notes or obligations, with interest coupons, (the equivalent of one hundred and fifty thousand dollars, at five per cent.;) these and the coupons were to

be endorsed by the Boston and Maine. The Boston and Maine were to pay all at maturity. Five thousand dollars, of notes or obligations, as collateral security, was to be placed in their hands, which they were to manage as a sinking fund.

The rent advanced last autumn ($45,060,) was to be treated as a loan, and enough of these notes or obligations to secure that sum, and the other work, &c. of completion, by the Boston and Maine, were to be placed as collateral security in the possession of the Boston and Maine; while the balance of the notes or obligations endorsed by the Boston and Maine, with its "promise to pay, advance and apply said rents to the payment of the principal and interest of said notes, in manner as aforesaid," was delivered to the Danvers Company, or its agents.

Thus, in addition to the advance of rents made last autumn, and of the expense necessary for the perfecting of the road bed, and of the rent for six months definitely paid or allowed them, a new and extended liability was created, amounting, with the preceding, to one hundred and twenty-five thousand dollars of principal, at an annual interest of seven thousand five hundred dollars, payable semi-annually.

Of this amount, there is already advanced to the Danvers Road, the sum of $50,500, and of the miscellaneous undertaking, estimated at about $8,800, in all, $53,860 cash. At the end of twenty years, the remaining amount must also be advanced by this Company. For the repayment of these sums, we have,—

First, the $5,000 of notes or obligations left in our possession.

Second, the sum of $300 per annum, derived from the coupons of the above, to be paid by us.

Third, what interest may have accrued on the reinvesting of these semi-annual coupons.

What then remains due to the Boston and Maine, after this, is to be a debt against the Danvers Road, for which and the interest, the Boston and Maine are to apply the annual rent, and other earnings of the Danvers Road, as they accrue, till the end of the lease in liquidation. It is calculated by the

President and others, that in this way, at the end of the hundred years, the Danvers Road, by the appropriation of the $300 interest referred to, will have extinguished all the one hundred and twenty-five thousand dollars, of their indebtedness, and their road be free from any claim of this Corporation.

The Lease, in which this agreement is set out, will be found in the Appendix to this Report. Your Committee are divided as to whether the five thousand dollars held for a sinking fund are to be paid on the expiration of the twenty years or at a later period: if the latter view is right, we pay one hundred and twenty thousand; if the former, we pay one hundred and twenty-five thousand dollars at the end of twenty years. Viewed simply as a business transaction, we see nothing commendable in the terms of the loan and guarantee. The President and Directors of the Boston and Maine, in an interview with us, placed the considerations moving them on two grounds:—First, the protection of their Haverhill and Bradford business from being tapped. Second, the necessity of a counter-assault on the Eastern, to countervail their action on the Dover and Great Falls business;—of which the stockholders will judge for themselves.

A report of the gross earnings of the Danvers Road for seven months is appended, by which it appears, that, at the average proportion of expense to receipts per mile run for the past year, this Road has been far from paying its running expenses, being between ten and twelve thousand dollars deficient, besides the rent due. If to this be added the distribution resulting from the contract with the Eastern, a still greater loss is achieved.

The amount of indebtedness of this line of road, including the Newburyport, to the Boston and Maine, on the first of June, was $110,158 28, total, for money advanced and balances. Some mortgage bonds of the Newburyport are held as collateral for their debt, in two classes—$75,000 of second mortgage, of which we are not prepared to estimate their value; $33,000 of first mortgage, of which some doubts exist in the minds of the debtors as to the legality. No interest has been paid on any of them. The Danvers advance is secured by

bonds guaranteed and interest payable by ourselves. In addition to this, $50,500 of guaranteed bonds have been delivered to the Danvers Road, and a small balance in the treasurer's hands, after settling the amount of our advances on account of certain items, will await the disposal of that corporation. We are informed that some money on account of the Newburyport Road can be obtained by compromises with individual endorsers, but it must be a long time before the bulk of these advances can be made available to your Road, if they ever can.*

THE FREIGHT DEPARTMENT.

Your Committee have devoted a great deal of time to the investigation of this subject. Regretting that they have not been able, in the necessarily limited period allowed them, to arrive at absolute conclusions on all the mixed questions of policy and cost involved in its consideration, they report the facts.

The number of tons of merchandise reported as carried over the road during the past year, "380,000," includes a large quantity of freight carried for the uses of the road, as iron, ties, stone to build piers for bridges at Lawrence, &c., for which no freight was earned or charged. In order to estimate the amount of average receipts per ton for freight, these items of tonnage ought to be deducted. The way bills in the freight department were examined by the Superintendent, at our request, to ascertain the number of tons hauled for hire over this road during the year ending May 31, 1855. His letter and the tables, prepared by him in reply, are appended. 242,161 tons were hauled for $281,045—equivalent to 7,880,045 tons hauled one mile at 3 20-100 cents per mile.

The freight carried over this road is charged for under three several systems:

1. Special contracts with connecting roads.

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* In the Appendix are found copies of the record of the proceeding of the Directors as to the Georgetown and Danvers Road.

2. Special contracts with manufacturing corporations and large manufacturers along the road.

The regular tariffs for way freights, as printed and published.

The last named freight is most lucrative to the Road.

The special contracts with the manufacturing corporations, include a large amount of freight, and the rates at which it is hauled are lower than the way tariff. A portion of the merchandise hauled for them, as iron and coal, are at very low prices, and considered, as a whole, your Committee conceive that an advance on these rates ought to be insisted on. Great accommodations and facilities are afforded to these corporations, their accounts sent monthly for settlement, and their treasurers and agents allowed a free pass over the road. With the increased expense of hauling the freight, an increase in the rates of these special contracts, seems absolutely necessary.

CONNECTING ROADS.

Two important and distinct systems of connecting roads use this trunk road, one the Northern and Western Roads, which connect the St. Lawrence River and Montreal, through the Vermont Central, with this city, and the Concord, Northern, Boston and Concord and Montreal, Passumpsic, and Manchester and Lawrence Roads. The number of distinct corporations, over which Western and Canadian freights pass by these rates, produces much competition and more complication in the freight accounts. The competition of other routes to the sea-board has produced great rivalry in carrying flour and wheat from the West. The Ogdensburgh and Vermont Central, over which pass all the flour that reaches Boston by the Valley of the Merrimack, have represented that they can enter into competition with other roads only by carrying this freight at a very low rate. A quintuple treaty, so called, from the number of parties entering into the arrangement, was formed by the lower roads, by which the rivalry between this line and the Lowell line was accommodated; and all the northern freight classed together, and the profits on hauling it from Concord to Boston divided between the five corporations, on fixed principles.

This makes it of small importance which party does the hauling. Under these arrangements a very low rate is offered for hauling, and the profit received by the Road bears but little reference to the actual amount hauled over the Road.

In illustration of this, referring to the Report, it will be seen, (p. 26,) that we paid back $7,280 to other roads as discount; while last year, when we hauled less, we received from them $13,352. See Report, 1854, p. 17.

The interest of all the parties to the quintuple arrangement, is promoted by the equality of their interest in the whole business, and they ought to obtain a remunerating profit for the freight carried under the arrangement. The Committee express the hope that this road will insist on an advance in the rates of those articles of freight, as flour and wheat, carried long distances at rates injuriously low.

Your Committee have not been impressed with the advantages to be derived by seeking to divert a larger part of this business over your road. The profit for hauling must be divided among the other roads, and the allowance as the cost of hauling is as low as the five roads dared to put it, when seeking to avoid rivalry. When the cost of depot accommodations, labor, fuel, and depreciation are summed up, it is not clear that anything can be made from the allowances. Why then should additional investments be made to do a business, so liable to fluctuation, and which is now sufficiently well done? Your Committee have carefully considered the reasoning in the Report, (p. 10,) and report, 1st. That they find the tons of merchandise carried should legitimately be estimated at 242,161, instead of 1,200 tons per day, or 374,540 per annum. Your Committee are not disposed to advise that the real estate of the Corporation shall not be improved; nor that the proposed freight house would not be a valuable building when erected. But they do distinctly say that they see no reason for borrowing money to build, at this time, more than a half acre of warehouse, and an acre and a half of bridging and filling, to accommodate freight which has diminished in the past year. When the earnings of the Company are disentangled from the demands of a floating debt, the safety of such

investments of surplus funds may well outweigh the fluctuating character of the annual profit derived from it. Until then, energy in forcing improvements appears injudicious.

ENTANGLING ALLIANCES.

The so called entangling alliances formed on this northern connection have been brought to our notice. In addition to the contract of the five lower roads, negotiations and agreements have been made with the Northern Road, concerning a further diversion of freight towards the line of the Merrimack; the agreement has not been reduced to the form of a contract, owing to some differences on minor points. The main features have been assented to, and understood as constituting an honorary obligation on this road, so far that $6,019 has been deducted from the general freight earnings, and placed in the schedule "due to connecting roads," for the purpose of paying it over to the Northern Road, when a contract shall be signed—this being the balance due them on that account for the past year. A further sum also will have to be paid after the execution of the aforesaid contracts, now almost perfected. And at the same time a remunerative advance in the rates of freight is expected to take place. We have not been able to examine the details of this, having been informed that no papers on the subject were in the hands of the President or Directors. The Superintendent has shown us a balance sheet on which was figured the division and estimates by which this amount set aside was determined. The President and Superintendent of the Boston, Concord and Montreal Road, came voluntarily before us and made explanations of what they considered the injurious influence of the proposed arrangement. It is impossible to give any definite information on that which is indefinite. It would be equally hazardous to express an opinion. The statements of those officers of the road who seemed to know most of what was proposed, gave us no reason to suppose that they would compromise your interests from incaution, and we did not feel authorized to pursue the investigation. Another contract was brought to our notice, signed by the President on behalf of this road, with the Passumpsic

Railroad. It is agreed by this contract that the roads signing it should relinquish enough of their gross earnings on all freight coming from that road, to enable the Passumpsic to secure the payment of six per cent. interest on preferred stock proposed to be created to an amount not exceeding $700,000, for the purpose of extending that road to the Canada line, where it proposes to meet a new line of road from Montreal, thus constituting another rival route to that city in addition to those already in existence. The Lowell Road is not a party to this contract. This extension has been surveyed, but we are not informed to what further extent the work is in progress. No immediate effects result from this contract one way or the other. If it should ever become operative, the effect would be to diminish the profit we now receive on the northern business, as whatever amount we might have to refund the Passumpsic to secure the interest guaranteed, we should still be obliged to account to the Lowell Road for their share under the quintuple contract of the amount paid back, if it were actual earnings, also to divide with them all we received. This places us in the position of dividing all the profits with the Lowell, while none of the risks or expenses are chargeable to their share. The other lower roads who have signed the contract are in the same position.

Your Committee in expressing their views on this new system for concentrating northern freights, and turning them over the twenty-six miles of road between Boston and Lawrence, look at the expenses thereby devolved on your Corporation, in freight-houses; and in collecting and accounting for the freight money with the upper roads; also the important fact that large sums are to be abstracted from the earnings below, for the purpose of securing or guaranteeing the upper roads from loss on the liabilities they incur in the endeavors to collect and turn the business into this channel. In considering these, they cannot repress a doubt lest, when the cost and engagements for division in these efforts are all summed up, it shall be found that we are compelled at times to haul this freight for a net price below the actual cost and risk to this Company.

These considerations have doubtless weighed with your President and Directors. We have felt it our duty to present you with an abstract of the general character of such of these contracts as have been brought to our notice. We feel that we ought also to say, that this is a subject that has engaged the attention of the ablest and most experienced men connected with railroads in the United States. It is not a subject on which stockholders have in general, either information or the leisure to acquire it. As a question of details, it would require months for your Committee to become masters of the subject. We think, therefore, that it is a question which ought to be left to the experienced ability of those who have long studied it, to arrange and complete. There is a branch of the subject which not only affects stockholders, but where we think it proper for them and for ourselves to express our opinions, and have theirs regarded by the Directors as a guide for their conduct. We think the Stockholders should have the net earnings of the road after deducting enough to keep it in a thoroughly efficient state, and we do not conceive it to be the duty of the Directors, without the consent of the Stockholders, to invest these earnings where returns can only be got after years of delay.

CONNECTING ROADS AT THE EAST.

A large share of the business of this Road is derived from its connections with other roads at the East. A table is presented, showing the rates of freight existing with them. We have not found time to give any examination to the state of the arrangements for freight or passengers east of the Portsmouth, Saco and Portland Road. Your Committee conceive that the freight hauled by special contract, ought generally to be advanced, so as to make the tariff bear a closer relation to that of way freight. Some discriminations are useful and necessary, but our customers ought to be treated as nearly alike as is possible, and although we know that a single rule is impracticable, yet opinion will sustain and defend this Corporation, in their efforts to make an impartial arrangement of their

tariffs, which will yield them a reasonable remuneration for the freight and passengers hauled on their road.

SEASON TICKETS.

An effort has been ineffectually made by other roads, to induce an elevation of the rates here. The policy of this road, to promote settlement along its line, requires that they should afford their accommodations at as low a price as is consistent with the profitable use of the road. At present, you charge materially lower than your immediate neighbors. This great disparity requires that the accommodations offered should be proportionate to the price, or the Road will be losers by their stand in behalf of their customers. We indulge the hope that the Directors will economize in this department, by reducing the number of trains, or demanding an increase of price, if the trains are not decreased.

COMMUTATION.

By the table in the Appendix, it appears that this class have greatly fallen off, since the commutation was reduced. We suggest that the interests of the Road would be advanced, by increasing the commutation.

CONDUCTORS.

The stockholders will see by the comparative statement of passenger receipts in the Appendix, that $26,849 83 is received for fares by conductors on the trains, and that the amount is increasing. Much annoyance is created to the conductors by this duty, and it interferes with their ability to collect the tickets between way stations with sufficient promptness. Their efficient performance of the duties specially incumbent on them would be increased, were these collections forced back to the ticket masters, where they properly belong. We recommend that the price of tickets be raised at least ten per cent., and that a discount of the increased price be made to all who purchase at the ticket office.

TRANSFERS OF STOCK.

We examined the method of transferring stock. By vote of the Directors, the President is not permitted to sign blank certificates. Unless collusion exists between himself and the Treasurer, much security apparently exists in the mode used in this corporation. One item only is more open than we think expedient,—the stock accounts of brokers. An effective guard would be added, in having the President keep a duplicate of the brokers' account,—a memorandum book would suffice. These transfers would then be as well guarded as the rest. This might be slightly burdensome to the President, but the security of the property of the stockholders, in our judgment, would be increased thereby.

FREE TICKETS.

Your Committee, early in their session, requested a report of all persons passing free in the cars to be daily made them by the Superintendent. The reports of the conductors reveal that an average of sixty-five persons were daily travelling free. Many were officers of other corporations. The system cannot be eradicated, but the abuses to which it is exposed can be checked. "Connecting roads" are daily becoming more numerous, and contracts which secure passes to certain corporation officers. The power to grant passes must be left to the President and Superintendent. We recommend that no person be permitted to travel in the cars without a ticket, even if it be gratuitously given, and so endorsed. The conductors should be relieved from the unpleasant duty of deciding on the claims of passengers to go on the free list, and the responsibility should be placed distinctly on their superior officers, where it belongs. A resolution on this subject will be found at the close of this report.

THE STATE OF THE ORGANIZATION.

When we commenced our investigation, a public notice was made in four or five daily papers of our willingness to hear complaints. Very few have been made against employees or

officers, and these seem to grow from a want of full information on the part of the complainants. We have carefully considered the organization, and while nothing appears that affects the good character of the officers and employees, we think advantageous changes in system can be made. The personal property of the Corporation ought all to be in charge of some person, and no movements or expenditure of it, without the process of a requisition on the storekeeper, and a receipt on delivery. Only last year, one or two hundred tons of iron were taken from the Company's yard, carried off over their own road and laid down on the Georgetown and Danvers, without authority or permission, receipt or voucher,—and only after this large quantity was gone, did the superior officers discover the trespass and stop further depredation. Were some one in charge of property, this could not have happened. No guard against the conversion of property by road masters and perhaps many other employees, exists. The oil and the machine shop are better protected, and regular accounts of consumption, &c. kept.

The looseness of the present system cannot be better exhibited than by the fact alluded to; that last year one or two hundred tons of iron belonging to the Company were openly carried off, without any license or authority, and used by the trespassers, before any one appeared whose duty it was, to demand of the trespassers why they took it. No further argument is necessary to demonstrate the necessity of having a guardian of property to deliver it only on written authority.

Another loose practice exists, reprehensible in our opinion. Agreements and bargains, of great importance to the Corporation, exist, without being reduced to writing or any record kept of them. We called for papers in some instances, and were told that none existed. We called for copies of letters, in this matter of the iron converted, and were told none were preserved. A corporation's acts should all be preserved in writing; full knowledge of all done, ought to be placed on record, for the information of the successors in office of any present authorities.

It was remarked by an officer, that arrangements and agree-

ments of years' duration, respecting freight, had gone on with other roads without a scrap of paper. This fact is highly honorable to the private characters of the officers of the respective roads, in their relations to each other. But, as fiduciary agents of the stockholders, we think such neglect of the interest and the rights of stockholders, in not keeping a record of what so deeply affects their interests, is greatly to be deprecated. We think that hereafter, when there are negotiations, there ought to be papers,—that papers ought to be preserved on the files. Evidence in writing of every agreement affecting our property or earnings, ought to exist, and of all official letters, likewise. No important matters should exist in mere verbal understanding. The concealment which may protect an officer to-day, by destroying the evidence which charges him, may to-morrow cost his corporation thousands of dollars.

TITLES TO PROPERTY.

When the road was examined in 1849, the investigating committee recommended that a book be prepared with plots of all the real estate of the Company, and that abstracts of all the titles be entered in another book, for the object of preserving and controlling a full knowledge of their possessions. It was adopted. The books have never been prepared, although six years are elapsed. The necessity of such a record for the office cannot be overvalued. We urgently recommend the renewal of the resolve.

INVESTMENTS OF EARNINGS.

Your Committee have considered that when surplus earnings are in the hands of the Treasurer, they should be invested in such a way as to be always available for the use of the Road. The financial complications of this Road grow in a great measure out of loans of the surplus earnings, that are in some degree accommodation loans, and where the collateral taken is not immediately available, from the fear of depressing the market by forcing its sale. We have recommended, by a resolve appended, a change in this policy.

Numerous matters of detail have been brought before us, but

the limited time allowed for our investigations, prevented our consideration of them. The Committee have presented a few Resolves for the consideration of the Stockholders; on other questions they have concluded, that by expressing their views in their report, they have fulfilled the duty assigned them. On concluding their labors, the following Resolve was by them unanimously passed :—

Resolved, That we tender our thanks to the President, Directors, Superintendent, Treasurer, and other officers of the Road, for the kindness and industry with which they have facilitated our investigations.

And your Committee respectfully ask to be discharged from further consideration of these subjects.

CHAS. LEVI WOODBURY,
C. P. JUDD,
PETER T. HOMER,
JOHN FLINT,
JOHN McDUFFIE,

Committee of Investigation.

Resolved, That hereafter, the surplus moneys in the hands of the corporation not immediately required for use shall only be loaned by the Directors, on demand, with any of the following securities as collateral, viz :

Stock of the Boston and Maine Railroad at not over eighty per cent. of its market value to be re-adjusted on any marked decline of the same.

Public funds of the United States of America.

Public funds of any of the States through which the road passes.

Public funds of cities in New England.

Or invested in loans to cities, towns and counties on the line of the road where such are legally authorized to borrow.

All the above securities to be made equal to an annual interest of six per centum per annum, and amount to be loaned thereon not to exceed par value.

Resolved, That hereafter, in the Annual Report, the assets of the Road should be presented in two tables,—one including those assets which are available for the payment of debts of the Corporation; all other assets to be included in a separate table.

Resolved, That all the employees of this corporation, whose monthly receipts amount to one hundred dollars or upwards, be required to furnish good bonds for the faithful performance of their duties, and that a thorough examination of the bondsmen thereon be made annually, and reported to the Directors.

Resolved, That all outstanding complimentary free tickets, or any other medium of passing free over the road, which may be in existence or available on the first of January 1856, (except such as exist by contract,) shall be called in on that day and rescinded, and henceforward free tickets or passes shall only be granted in the following described instances, viz :—

To Presidents and Directors of the road, and their immediate families.

Superintendent and Treasurer.

Employees of the road on business of the road.

President, Superintendent and Directors of connecting roads, where authority is given by the Board of Directors, by vote to be recorded.

The President and Superintendent shall have power to grant single trip passes at their discretion, making a record of the same.

A daily report of all persons passing free over the road shall be laid before the President, subject to the supervision of Directors, and filed for reference, to be seen, when required, by any stockholder; the aggregate number to be given in the Directors' annual report.

Resolved, That hereafter, in the Schedule of Earnings and Expenses for the year ending May 31st, contained in their Annual Report to the Stockholders, the Directors make a detailed statement showing the various items of income—running expenses, and all other expenses—number of miles respectively run by the passenger, freight, wood and gravel trains—number of express trains, and where run—number of passengers carried in the cars, and number carried one mile—number of tons of merchandise carried in the cars, and number carried one mile, distinguishing between that paying freight, and that carried for the use of the Road—and a full exhibit of the motive power and cars.

APPENDIX.

Extract from the Record of the Meetings of the Board of Directors, as to Georgetown and Danvers Loan.

Saturday, April 29, 1854.—At a meeting of the Directors of the Boston and Maine Railroad, held at Boston, on Saturday, the twenty-ninth day of April, in the year eighteen hundred and fifty-four. Present, the President and Messrs. Kuhn, Batchelder and Aiken.

Loan to the Danvers & Georgetown R. R.—VOTED, That the President be authorized to loan the Danvers and Georgetown Railroad money to pay for their iron, on such security as he shall see fit.

[After doing other business, adjourned.]

Tuesday, May 22, 1854.—At a meeting of the Directors of the Boston and Maine Railroad, held at Boston, on Tuesday, 22d May, eighteen hundred and fifty-four. Present, the President, Messrs. Aiken, Walker, Batchelder, and Kuhn.

[Transacted sundry business.]

Wednesday, June 14, 1854.—At a meeting of the Directors of the Boston and Maine Railroad, held in Boston, on Wednesday, 14th June, 1854. Present, the President, Messrs. Batchelder, Kittredge, Kuhn and Walker.

[Transacted sundry business.]

Tuesday, August 8, 1854.—At a meeting of the Directors of the Boston and Maine Railroad, held at Boston, on Tuesday, the eighth day of August, in the year eighteen hundred and fifty-four. Present, the President, and Messrs. Kuhn, Batchelder, Kittredge, Aiken, Walker and Shaw.

Dissent of Dr. Walker to Vote of April 29, 1854.—On request of Dr. Walker, it was voted that he be allowed to enter his dissent on the record to the Vote of April 29th, 1854, respecting a Loan to the Danvers and Georgetown Railroad.

Statement of Money borrowed to pay Dividends.

For Dividend Payable January 1, 1855.

Of Blackstone Bank, on our note,		$20,000 00
Of Market Bank, " "		17,267 88
Notes discounted, P. Sprague,	$5000 00	
B., C. & M. Railroad,	9,000 00	
" "	8,000 00	
" "	8,000 00	
Newburyport Railroad,	2,732 12	
		32,732 12
Of Bay State Bank, on our note,		5,000 00
Of S. Reading Bank, " "		10,000 00
		$85,000 00

1855, January. Amount dividend, $166,228.

For Dividend Payable July, 1855.

Of Blackstone Bank, on our note,		$22,000 00
" " " "		18,000 00
*B., C. & M. Railroad, note discounted,	$6,000 00	
†Cocheco Railroad, note discounted,	4,477 40	
Of Market Bank.		
Lawrence Paper Co., discounted,	4,639 16	
*B., C. & M. Railroad,	6,000 00	
* " " "	6,000 00	
* " " "	6,000 00	
* " " "	6,000 00	
		39,116 56
Our note,		12,000 00
"		10,000 00
		$101,116 56

1855, July. Amount dividend, $124,671 00.

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* B., C. & M., 50 per cent. to be renewed.

† Cocheco note protested.

Statement of Miles run for years ending June 1, 1855, *and June* 1, 1854, *as reported to the Treasurer.*

On B. & M. R. R.	1855.	1854.	Increase in 1855.	Decrease in 1855.
Passenger trains, - -	425,941	360,682	65,259	
Merchandise " - -	118,626	140,311		21,685
Extra " - -	9,483	11,622		2,139
Grade " - -	7,434	5,788	1,646	
Wood " - -	19,367	8,813	10,554	
Danvers R. R.				
Passenger " - -	21,824		21,824	
Merchandise " - -	5,172		5,172	
Grade " - -	580		580	
	608,427	527,216	105,035	23,824
	527,216		23,824	
	81,211		81,211	

Boston, Sept. 26, 1855.

Chas. L. Woodbury, Esq.,

Chairman Investigating Committee:

Sir,—Herewith I hand you tables, giving the comparative tonnage of the Boston and Maine Railroad for two years, viz.: the year ending June 1, 1854, and that ending June 1, 1855.

These tables include all the freight upon which *charges are made*, and *exclude* all that carried for *this Railroad*, such as wood, coal, stone, iron rails, sleepers, chairs, spikes, timber, and all materials for the shops, or the repairs of the road, building depots, bridges, &c.

There is an error in the "number of tons carried," in printed report of the Legislature for 1854, though that includes freight carried for the use of this road, on which no charge is made. These tables include the number of tons of *paying* freight carried one mile; the number of tons carried for other railroads; the amount of money received, and the *rate per ton*, and the *rate per mile*, received, *including the depot charges*. The depot charges on freight for connecting roads includes handling *once* only.

It will be seen, that while the *local freight* of the Boston and Maine has increased from 1854 to 1855, that from upper railroads has decreased.

The amount of money received for transportation of freight, as shown by the reports to the stockholders, excluding the "miscellaneous" charges, in the year ending June 1, 1855, was $3,059 65-100 *more* than in that ending June 1, 1854, though the amount of tons hauled, was *less*.

This is owing to the fact, that in the autumn and winter of 1853, there was a much larger amount of low-priced Western freight sent to Boston than in that of 1854.

The annual reports, made by the Massachusetts Railroads to the Legislature, of the number of tons of freight carried upon the roads; the number of tons of freight and of cars hauled one mile, &c., &c., cannot be taken as showing the freight business of the roads, unless the facts, *in each case*, are stated; for while the report of one road includes only a part, or none, of the material used in its own construction or repairs, the report of another road includes thousands of tons of such material, for which, however, it receives no direct income.

Respectfully, your obedient servant,

THOS. S. WILLIAMS.

Comparative Statement of the Freight Tonnage of the Boston and Maine Railroad, for the years ending June 1st, 1854, and June 1st, 1855, on which charges were made, but not including wood, iron rails, sleepers, chairs, stone, timber, articles for repair shops, and all material used in the construction and repairs of the Boston and Maine Railroad.

1854.	Tons.	Tons one Mile.	Amount received.	Aver'e price per Ton, includ. depot charges	Price pr. Ton pr. Mile, includ. depot charges.
Amount hauled for connecting roads, - -	111,339	2,912,263	$77,452 51	$0 69.5	$2\frac{65}{100}$cts.
" " " Boston and Maine, -	138,645	5,770,639	200,969 40	1 45	$3\frac{48}{100}$ "
" B. & M. and connecting roads, -	249,984	8,682,902	278,421 91	1 11.3	$3\frac{21}{100}$ "
1855.					
Amount hauled for connecting roads, - -	90,867	2,443,977	71,991 64	0 79.2	$2\frac{04}{100}$ "
" " " Boston and Maine, - -	151,294	6,336,068	209,489 92	1 38.4	$3\frac{20}{100}$ "
" " B. & M., & connecting roads,	242,161	8,780,045	$281,481 56	1 16.2	$3\frac{20}{100}$ "

The above price per ton and price per ton per mile, include depot charges.

B. and M. Railroad. Number of Tons hauled to and from connecting roads, for one year, ending May 31, 1855; amount of Freight received on the same, including once handling and Depot charges.

Railroads.	Miles hauled.	Total Tons.	Am't of Freight on same.	Av'age price per ton received.	REMARKS.
Manchester and Lawrence,	26	20,850 $\frac{1239}{2000}$	$17,201 22	$0 82$\frac{1}{2}$	This report is made up from the tonnage to and from Boston. There is some way freight from the Upper Roads, but the amount is small; consequently the variation with that included would be slight.
Boston, Conc. and Montreal,	26	14,247 $\frac{1560}{2000}$	11,756 89	do	
Concord, - - - -	26	2,902 $\frac{1172}{2000}$	2,352 07	do	
M. and Conn Rivers, - -	26	5,149 $\frac{1490}{2000}$	4,248 49	do	
Contoocook Valley, - -	26	2,208 $\frac{1532}{2000}$	1,822 16	do	These Roads furnish their own cars.
Vermont Central, - -	26	16,072 $\frac{1376}{2000}$	8,812 77	54	
Northern, - - - -	26	81 $\frac{1291}{2000}$	67 34	82$\frac{1}{2}$	
Great Falls and Conway, -	73	1,789 $\frac{389}{2000}$	3,498 85	1 95	Part in B. and M. cars, and part in Great Falls and C. cars. B. & M. receive in their cars, $1.84; in B. and M. $2.20 per ton.
Cocheco, - - - -	68	4,883 $\frac{1849}{2000}$	8,103 57	1 67	Part in B. and M. cars, and part in Cocheco. B. & M. receive in their cars, $1.66; in B. and M. $2.00 per ton.
Salem and Lowell, - -	18	4,157 $\frac{1019}{2000}$	2,180 14	52	These roads furnish cars.
do. do. - -	15$\frac{1}{2}$	2,172 $\frac{32}{2000}$	1,447 15	67	" " "
Newburyport, - - -	32	2,887 $\frac{7}{2000}$	2,890 82	1 00	" " "
do. - - -	18$\frac{1}{2}$	2,369 $\frac{1305}{2000}$	2,070 57	82	" " "
do. - - -	6	2,846 $\frac{99}{2000}$	1,310 11	46	" " "
South Reading Branch, -	10	4,613 $\frac{1057}{2000}$	2,089 94	45	" " "
Portsmouth and Concord, -	55	638 $\frac{1393}{2000}$	1,148 42	1 79	Part in B. and M. cars, part in P. and C. cars. B. & M. receive in their cars, $1.52; in B. and M. cars, $1.94 per ton.
		88,060			

BOSTON AND MAINE RAILROAD OFFICE, HAYMARKET SQ.

BOSTON, SEPT. 18, 1855.

To the Chairman of the Investigating Committee of the Boston and Maine Railroad.

SIR,—In accordance with your wishes, I hand you

No. 1. A list of Officers under Bonds.
No. 2. " " of Property insured.
No. 3. " " of Notes Receivable, as per Annual Report.
No. 4. " " of prices paid for 500 Shares this stock.
No. 5. " " of Amounts due from Connecting Roads, as per Annual Report.

The freight bills uncollected at the time of the Annual Report were mostly for freight undelivered; there were some hundreds of bills outstanding, and it will take some considerable time to ascertain now which bills they were, as a large part of them have since been paid. The balance of cash on hand, as per Annual Report, was in the Market and Blackstone Banks, Boston.

Yours, very respectfully,

H. B. WILBUR, *Treasurer.*

No. 1.

List of Bonds of Boston and Maine R. R., Ticket Agents, &c.

Station.	Officers' names.	Sureties.	Amount
Boston,	J. B. Gillett,	John O. Presbry, James M. Cooper,	$5000
"	H. H. Fowle,	James L. Gorham, $2500, S. R. Spaulding, 1000, J. Fowle, 1500,	5000
"	A. W. Eaton,	W. Pecker, E. C. Thompson, and W. R. Furness,	2000
"	A. Caldwell,	S. R. Allen, Wm. Caldwell and L. Whittier,	1500
Malden,	B. R. Leavitt,	Daniel P. Wise,	400
S. Reading,	J. Towle,	James Grosvenor, S. T. Parker,	1000
Reading,	C. Temple,	Mark M. Temple,	600
B. Vale,	J. O. Blunt,	Josiah F. Abbott, Benj. Holt,	250
Andover,	E. S. Merrill,	Samuel Merrill, N. W. Hazen,	1000
Lawrence,	O. Wheeler,	F. L. Johnson, C. Elliott,	2000
"	F. B. Plummer,	W. Parker, M. E. Wood, Wm. Gile,	1000
"	D. Hardy,	W. Merritt, W. Pecker,	1000
N. Andover,	L. Sawyer,	George L. Davis,	250
Haverhill,	J. Flanders,	J. E. Bradley, M. Swasey, Montgomery & Co.	1000
Exeter,	G. G. Smith,	G. Smith, S. W. Dearborn,	1000
P. & C. Junct.	J. M. Clark,	A. G. Doyle, J. B. Wadleigh,	400
Dover,	W. Tredick,	E. Tredick, John T. Gibbs,	1000
Great Falls,	G. W. Bullock, Jr.	S. L. Fletcher, Oliver Hastings,	600
S. Falls,	L. D. Piper,	G. C. Wallingford, H. H. Hobbs,	1000
S. B. Junct.	D. W. Quimby,	D. Quimby, G. H. Hall,	400

No bonds are in my hands for agents at Somerville, Medford, Melrose, Bradford, Atkinson, Plaistow, Newton, E. Kingston, S. New Market, New Market, Durham, Lynnfield, N. Danvers, Danvers Centre.

Treasurer's Bonds.

Total amount, - - - - - - - - - - - $30,000

Sureties for amount set against them.

J. G. Baxter,	$10,000	J. Federhen, Jr.,	$1,000
Nicholas Little,	5,000	W. P. Tenny,	500
B. P. Spaulding,	1,000	H. Bond,	500
J. F. Pray,	2,000	Jacob Pierce,	2,300
James S. Mills,	1,000	A. Saunderson,	500
L. S. Cragin,	1,000	F. H. Lane,	500
Whitney & Fenno,	2,000	Lyman Nichols,	2,500

No. 2.

List of Property Insured.

Amount of Property insured of the Boston and Maine Railroad, - $254,800

Amount of Merchandise insured and their liability as common carriers, $27,000

No. 3.—*Statement of Notes Receivable held by Boston and Maine Railroad, June 1, 1855.*

Gt. Falls & Conway R. R.,	due	Dec. 1, 1850,		$4,236 97	
" " "	"	Sept, 1, 1850,		1,027 24	
" " "	"	Aug. 1, 1853,		2,189 52	
" " "	"	Dec. 15, 1853,		3,708 22	
" " "	"	Mch. 1, 1854,		1,375 09	
" " "	"	Dec. 30, 1854,		2,230 13	
				$14,767 17.	Secured by their bonds for $20,000, guaranteed by East. R. R. in N. H.
Manchester & Lawr'e R. R.	"	June 1, 1851,		7,854 69.	
Newburyport Railroad,	"	Jan. 1, 1854,	$5000	15,750 00.	Signed as sureties by C. J. Brockway, George J. Tenney, George Coggswell and Edward Kimball, with their bonds, for $33,000 as collateral.
" "	"	June 18, 1854,	$5000 paid by Dr. Coggswell.	10,650 00.	
" "	"	Mch. 4, 1855,		2,833 48.	
James W. Emery and others,	"	Nov. 1, 1854,		5,000 00.	Signed by Jas. W. Emery, A.W. Haven, J. W. Pierce, H. D. Walker, N. Bachelder, and Wm. Plumer.
" "	"	Jan. 1, 1855,	(paid.)	5,000 00.	Signed by Jas. W. Emery, A.W. Haven, J. W. Pierce, N. Bachelder and W. Plumer,
" "	"	July 1, 1855,		10,000 00.	Signed by Jas. W. Emery, N.W. Haven, J. W. Pierce, H. D. Walker, N. Bachelder and Wm. Plumer.
Danvers & Georget'wn R. R.	"	Aug. 21, 1855,		70,000 00.	Endorsed by W. D. Northend, G. J. Tenney, Sam. Little & Gilb. Tapley.
Bost., Conc. & Mont. R. R.,	"	Oct. 6, 1855,		6,000 00.	Endorsed by J. Quincy, J. M. Whiton, and J. T. Coffin.
" " " "	"	Oct. 19, 1855,		6,000 00.	do. do. do. do.
" " " "	"	Nov. 6, 1855,		6,000 00.	do. do. do. do.
" " " "	"	Sept. 19, 1855,		6,000 00.	do. do. do. do.
" " " "	"	Nov. 19, 1855,		6,000 00.	do. do, do. do.
Lawrence Paper Co.	"	Sept. 7, 1855,	(since paid.)	4,639 16.	Endorsed by A. & A. Norton.
W. D. Northend & G. Tapley,	"	Feb. 1, 1855,		2,000 00.	
" "	"	Feb. 16, 1855,		2,000 00.	[for the use of the road.
James Hayward,	"	Jan. 5, 1855,		1,800 00.	This was not for a loan, but for an advance of money to pay for land
John O. Pierce,	"	Sept. 1, 1855,		161 93.	Signed by John O. Pierce, Tappan Wentworth and A. Pierce.
Samuel Topliff,	"	Jan. 1, 1855,	(since paid.)	900 00.	22 shares Boston and Maine Railroad Stock as collateral.
R. H. Blake,	"	Apr. 22, 1853,		100 00.	
George P. Field,	"	Aug. 8, 1853,		755 81.	
Charles Bradford,	"	Dec. 8, 1853,		15 00.	
Nathan Wheeler,	"	Apr. 13, 1855,		80 13.	
William Hall,	"	Jan. 8, 1855,		115 01.	
				$184,422 38.	

NOTES PAYABLE, OUTSTANDING JUNE 1, 1855.

Market Bank, due June 24, 1855, - - - - - - -	$20,000
South Reading Bank, due June 4, 1855, - - - - - -	10,000
Blackstone Bank, due June 8, 1855, - - - - - -	20,000
Samuel A. Walker, due on demand, - - - - - -	21,700
	$71,700

No. 4.

Statement of Amount paid for 500 Shares Boston and Maine Railroad Stock, bought by this Road.

Date of Purchase.	No. of Shares.	Price per Share.	Amount Paid.
1852.			
Oct. 15, - - - -	20	$106 75	$2,135 00*
" 18, - - - -	21	107 00	2,147 00
" 20, - - - -	13	107 00	1,391 00
*Error in entry of Oct. 18th,	-	-	100 00
Nov. 2, - - - -	20	107 00	2,140 00
" 4, - - - -	24	107 00	2,568 00
" 15, Brokerage, -	-	-	24 50
1853.			
Jan. 28, - - - -	53	105 00	5,565 00
Feb. 5, - - - -	20	105 00	2,100 00
" 18, - - - -	100	105 00	10,500 00
March 11, - - -	21	105 00	2,205 00
" 15, - - -	40	105 00	4,200 00
" 17, - - -	100	105 00	10,500 00
" 18, - - -	19	105 00	1,995 00
" 16, - - -	25	105 00	2,625 00
" 22, - - -	24	104 50	2,508 00
	500		52,703 50

Nov. 30, 1852, $705 50, and
May 31, 1853, 1998

Making, $2703 50 was charged to expenses, so as to make this stock stand at par on the books.

No. 5.

Statement of amounts due from connecting Roads as referred to in Annual Report. Schedule D, as amounting to $67,291 52.

Cocheco Railroad, on Passenger and Freight account,	$5,985 39
Eastern Railroad, for use of track for Essex Road,	557 74
Great Falls and Conway Railroad, Passenger and Freight account,	1,189 94
Lowell and Lawrence Railroad, for use of track 6 months,	1,201 52
Manchester and Lawrence Railroad, Passenger and Freight acc't,	1,408 05
Newburyport Railroad, " " " "	5,043 68
Portsmouth and Concord Railroad, " " " "	89 60
South Reading Branch Railroad, " " " "	125 71
Saugus Branch Railroad, " " " "	329 07
Salem and Lowell Railroad, " " " "	1,809 35
York and Cumberland Railroad, old payment towards building road,	1,401 00
Danvers Railroad, prepayment of rent,	41,927 02
Manchester and Lawrence, for accident,	6,223 45
	$67,291 52

Statement of amounts due Connecting Roads and sundry persons, as referred to in Schedule D, amounting to $43,817 78.

Boston, Concord and M. Railroad, Passenger and Freight account,	$2,324 29
Concord Railroad, " " " "	146 09
Contoocook Valley Railroad, " " " "	268 96
Connecticut and Passumpsic Railroad " " " "	885 57
Merrimack and Connecticut Riv. Railroad, " " " "	766 98
Northern Railroad, " " " "	27,798 83
Portland, Saco and Portsmouth Railroad, Passenger account,	1,266 92
E. Davis & Son, bills of old iron,	665 00
James Hayward, on salary,	488 88
Unpaid wages of men,	322 24
Unpaid tax bills, &c., partly estimated,	8,883 83
	$43,817 78

$17,617 65, same Schedule, is due

From Lawrence and Bishop,	$8,991 58	on account Medford Branch.
Rent bills,	634 17	
H. A. Rhodes,	870 41	defaulter.
G. S. Oliver,	2,188 05	defaulter.
C. Rugg,	477 02	defaulter.
J. H. Wiggin,	115 00	in his hands to pay bills.
Accounts in hands of solicitor,	2,872 27	for collection.
	16,148 50	
Auditor Post Office,	1,469 15	for carrying mails.
	$17,617 65	

List of present and past Directors, since 1850, *and the Shares owned by them.*

Names.	Time of Service.	Residence.	Number of Shares owned.											
			Jan. '50.	July '50.	Jan. '51.	July '51.	Jan. '52.	July '52.	Jan. '53.	July '53.	Jan. '54.	July '54.	Jan. '55.	July '55.
	YEARS ENDING SEPT.													
John Howe, - -	1850, 1851, 1852,	Brookline,	37	77	77	70	65	65	6	none.	none.	none.	none.	none.
S. A. Walker,	1850, 1851, 1852,	"	16	11	33	43	90	100	120	125	none.	none.	none.	none.
*Jas. Hayward, -	1850, 1853, 1854, 1855,	Boston,	185	250	250	250	250	250	280	200	200	101	150	150*
John Flint, - -	1850, 1851, 1852, 1853,	Andover,	60	100	100	127	127	47	59	114	133	50	46	41
A. Pierce, - -	1850,	Dover,	3	3	3	3	2	2	2	2	2	2	2	2
*S. Batchelder, -	'50, '51, '52, '53, '54, '55,	Boston,	20	20	20	20	24	24	24	24	24	24	4	4*
*G. H. Kuhn, -	'50, '51, '52, '53, '54, '55,	"	70	70	70	70	70	70	70	70	70	70	70	70*
Wm. Hale, - -	1851, 1852,	Dover,	30	63	63	53	38	38	33	33	33	33	33	33
*S. Shaw, - -	1851, '52, '53, '54, '55,	Boston,	94	64	94	94	94	30	84	84	84	4	25	25*
*G. W. Kittredge,	1853, 1854, 1855,	Newmarket	60	61	35	35	35	35	35	35	35	45	45	45*
Wm. J. Walker,	1854,	Boston,	92	79	79	99	99	99	178	178	178	153	88	38
John Aiken, - -	1854,	Andover,	none.	none.	none.	none.	none.	none.	none.	none.	10	10	none.	none.
*J. H. Duncan, -	1855,	Haverhill,	102	102	102	102	79	58	30	30	20	20	20	20*
*Saml. Topliff, -	1855,	Boston,	95	92	92	92	92	92	92	92	92	92	92	92*

* The above shows the number of shares only standing in the books in the names of the directors.

BOSTON AND MAINE RAILROAD.

Statement of Passenger and Freight Earnings, of Boston and Maine and Danvers Railroads, over the Danvers Railroad, for seven months, ending May 31st, 1855.

From October 23d, 1854, to May 31st, 1855.			For the Month of May, 1855.		
Boston and Maine.	Danvers Railroad.	Total.	Boston and Maine.	Danvers Railroad.	Total.
Passenger, $7,484 67	Passenger, $6,075 45	$13,560 12	Passenger, $1,045 45	Passenger, $821 09	$1,866 54
Freight, 2,504 12	Freight, 1,886 45	4,390 57	Freight, 592 49	Freight, 465 59	1,058 08
$9,988 79	$7,961 90	$17,950 69	$1,637 94	$1,286 68	$2,924 62

Received during the same time, from Salem and Lowell Railroad, for use of engine and cars, about - - $2,025 00

Number of miles run on Danvers Railroad, - 27,576
Number of miles run extra on Boston and Maine Railroad, on account of connection with Danvers Railroad, - - - - - - - 12,000

Total miles for seven months, - 39,576

Received this month, from Salem and Lowell Railroad, for use of engine and cars, about, - - - - - $325 00

No. of miles run on Dan. R. R., during this month, 3,120
Number of miles, run extra, on Boston and Maine Railroad, on account of connection with Danvers Railroad, - - - - - - - 1,560

Total miles, month of May, 1855, 4,680

Boston, September 22, 1855.

C. P. JUDD, ESQ.

Sir,—In answer to your inquiries, I give you as near as I can from my memorandums—

Wood on hand, June 1st, 1853, - - - - - -	9,724	cords.
" " " 1854, - - - - - -	10,812	"
" " " 1855, - - - - - -	11,399	"
Number of cords bought, from June 1st, 1853 to June 1st, 1854,	18,988	
Bought, from June 1st, 1854, to June, 1855, - - -	23,737	
Number of cords used, for the year ending June 1st, 1854, -	17,900	
" " " " " " " 1855, -	23,150	

The *average* price paid in Boston, for the year ending June 1st, 1854, was $4 77 per cord.

The prices in the country, for the year ending June 1st, 1854,

was for white pine, - - -	$2 50	to	$3 25
" " pitch pine and hemlock,	3 25	"	4 25
" " hard wood, - - -	4 25	"	4 50
Average price at Lawrence, for all sorts, - - - -			4 75
For the year ending June 1st, 1855, Boston *average*, - -			5 87

In the country, from 25 to 50 cts. on each, higher. At Lawrence, the average price for the same time was about $5 50.

Yours, truly, A. PERKINS.

Boston, September 18, 1855.

CHAS. L. WOODBURY, ESQ.,
Chairman Inv. Committee,

Sir,—I hand you herewith, a table showing the amount of Freight transported upon the Boston and Maine Railroad, for the year ending May 31, 1855, in connection with each of the railroads having joint freight tariffs with this road.

Also, a Table showing the *special* contracts between this road, and the corporations or individuals upon the line of the Boston and Maine Railroad. This Table also shows the *regular* tariff rates, given for convenience of comparison with the *special* rates.

Also, the printed Freight Tariff of the Boston and Maine Road, by which all freight is charged except that included in the special rates mentioned above.

The Boston and Maine Road has no joint freight tariff with the Portland Road, or roads east of there, as the water competition so reduces the rates that it has not been thought best to enter into competition for it, as any considerable increase of Eastern freight, would require an additional freight train

east of Lawrence. The manufacturing corporations at Saco and Biddeford, have paid to the Portsmouth, Saco and Portland and Eastern Roads, $2 50 for manufactured goods, and $2 25 for cotton in bales, per ton, for transportation from Saco to Boston, from which 37½ cents per ton was deducted for teaming in Boston, leaving $2 12½ and $1 87½ for the railroad, including depot charges at both termini. The distance is 94 miles.

The *special rates* upon the Boston and Maine Railroad are established to meet competition, or to induce business to come upon the road, which would not otherwise come upon it. Beginning at Malden, there is competition with vessels and with teams, to the flour mills.

At South Reading, the price for ice was fixed at its present rate by the railroad. An appeal was taken by freighters, and the price reduced, and the railroad added the amount thus deducted, to the *wharfage.*

At Lawrence, the Essex Railroad, under the control and management of the Eastern Railroad, reduced the freight on coal, from the old price of one dollar per ton, to sixty-five cents. The Salem and Lowell, and Lowell and Lawrence, also come in here, and the present price, (seventy-five cents,) is ten cents higher than is now charged by the Essex Railroad.

The Essex Railroad is also now taking coal at about *one half* of this rate, from Salem to Lawrence, for *Manchester,* having made a contract with the Manchester and Lawrence Railroad, for some thousands of tons for the manufacturing establishments at Manchester. The Eastern Railroad has for some years past taken all the freight between Boston and North Andover for the manufacturing company there, at a reduced rate, by the way of Essex Railroad and Salem. The Boston and Lowell Railroad are now taking coal at less prices to Lowell than the Boston and Maine take it to Lawrence. On most of the coal taken from Boston to Lowell, on that Railroad, has been taken for two years past, *at or below fifty cents* per ton, (large amounts having been taken at *less* than forty cents per ton.) This is to meet the competition of the Salem and Lowell Railroad from Salem.

At Haverhill, Dover and Great Falls, water competition makes special rates necessary, and yet very large amounts of freight pass between Dover, &c., and Boston, in packets.

There has been occasional competition at and north of Concord, by the Portsmouth and Concord Railroad, which has been met by the Boston and Lowell and Nashua and Concord Roads, as well as by the Boston and Maine Railroad. At present, there is no reduction of the Boston and Maine charge, there.

The Ogdensburg and Vermont Central freight is competed for by the Rutland line, as well as by routes to New York.

The Boston and Maine Railroad receives its pro rata proportion of whatever prices can be charged for transportation between these roads and Boston, and has always, of course, a voice in establishing these prices, or a right to refuse to take pro rata.

Negotiations have been in progress for some months past, with the roads north of Lawrence, for an advance in the charges made by the Boston and

Maine Railroad for transportation of passengers and freight to and from these roads, between Lawrence and Boston, and an advance of about twenty per cent. has either been agreed upon, or those roads have been notified that the advance will be made as soon as the contracts, or understanding with the roads, (with regard to notice to be given,) will admit of it.

This notice of advanced rates has met with great opposition, by *some* roads north of Lawrence, and the Boston and Maine Road is threatened, by these roads, with application to the Legislature; and with the building of rival roads, not only to take away the business of these "Upper Roads," but also, the business at and beyond Lawrence.

Respectfully, your obedient servant,

THOS. S. WILLIAMS.

BOSTON AND MAINE RAILROAD.

Comparative Statement of Passenger Receipts, for Five Years.

	May 1, 1850, to May 1, 1851.			May 1, 1851, to May 1, 1852.			May 1, 1852, to May 1, 1853.			May 1, 1853, to May 1, 1854.			May 1, 1854, to May 1, 1855.		
	Amount.	In-crease.	De-crease.	Amount.	In-crease.	De-crease.	Amount.	In-crease.	De-crease.	Amount.	In-crease.	De-crease.	Amount.	In-crease.	De-crease.
Sales at Stations, - - - -	$240,579 86			$217,641 50		.09	$216,407 32		.00½	$237,286 28	.10		$260,719 90	.10	
" by Conductors, - - -	22,055 41			23,462 39	.05		22,926 38		.00¼	19,886 04		.13	26,849 83	.35	
" of Season Tickets, - -	22,413 71			25,949 53	.15		32,924 42	.27		39,675 86	.20		51,934 25	.31	
" of Fam. & Com'n Tick.	8,303 32			10,883 57	.31		13,001 42	.20		16,663 00	.28		8,619 06		.49
Totals, - - - - - - - -	$293,352 30			$277,936 99			$285,259 54			$313,511 18			$348,123 04		

BOSTON AND MAINE RAILROAD.

Comparative Statement of Passengers, Miles, Amounts, and Averages, for Three Years, ending November 30th, 1855.

MONTHS.	Name of Railroad.	YEAR 18					MONTHS.	YEAR 1853.						MONTHS.	YEAR 1854.					
		Passengers.	Miles.	Amount.	Amount per Passenger.	Miles each Passenger.		Passengers.	Miles.	Amount.	Rate per Mile.	Amount per Passenger.	Miles each Passenger.		Passengers.	Miles.	Amount.	Rate per Mile.	Amount per Passenger.	Miles each Passenger.
					CTS.						CTS.	CTS.						CTS.	CTS.	
12	South Reading Branch,	90,584	905,840	$10,351 7	11 43/100	10	12	78,256	782,560	$ 9,605 88	.01 23/100	12 27/100	10	12	53,573	535,730	$ 7,625 22	.01 42/100	14 4/100	10
12	Salem and Lowell,	21,188	341,970	5,943 9	28 05/100	16 14/100	12	56,919	928,330	13,557 38	.01 46/100	23 82/100	16 31/100	12	82,528	1,164,320	19,872 10	.01 20/100	24 7/100	13 61/100
12	Manchester and Lawrence,	23,768	598,204	9,834 3	41 38/100	25 17/100	12	27,164	660,931	10,548 58	.01 59/100	38 83/100	24 33/100	12	28,187	691,743	11,816 60	.01 70/100	41 92/100	24 54/100
12	New Hampshire Central,	1,236	32,754	521 3	42 18/100	26 50/100														
12	Concord,	8,704	221,754	3,778 6	43 41/100	25 48/100	12	9,113 1/2	222,842	3,822 78	.01 71/100	41 94/100	24 45/100	12	7,697	186,899	3,904 54	.02 8/100	50 72/100	24 28/100
12	Concord and Claremont,	1,590	41,337	566 1	35 60/100	26														
12	Contoocook Valley,	1,496	39,872	566 8	37 89/100	26 65/100	12	1,115 1/2	28,158	363 61	.01 29/100	32 58/100	25 23/100	12	1,002	25,349	404 93	.01 58/100	40 41/100	25 29/100
12	Passumpsic,	1,177	30,311	616 7	52 40/100	26	12	1,361 1/2	33,821	541 15	.01 60/100	39 73/100	24 83/100	12	1,356	34,473	580 37	.01 68/100	42 89/100	25 42/100
12	Boston, Concord and Montreal,	7,341	202,934	2,754 6	37 52/100	27 50/100	12	8,497	215,132	3,561 99	.01 65/100	41 92/100	25 32/100	12	9,149	234,292	4,000 93	.01 70/100	43 51/100	25 60/100
12	Vermont Central, and beyond,	2,730	72,345	1,239 9	45 42/100	26 50/100	12	1,896	49,296	829 40	.01 68/100	43 74/100	26	12	2,127	55,302	902 16	.01 63/100	42 41/100	26
12	Cocheco,	5,157	264,803	6,573 0	1.27 46/100	51 35/100	12	6,309 1/2	321,486	7,387 47	.02 29/100	1.17 7/100	50 95/100	12	6,602	339,043	8,733 87	.02 57/100	1.32 29/100	51 35/100
12	Great Falls and Conway,	6,805	201,760	4,830 5	70 98/100	29 65/100	12	8,265 1/2	253,031	6,045 48	.02 39/100	73 14/100	30 61/100	12	7,376	240,736	6,062 91	.02 51/100	82 8/100	32 63/100
12	Portsmouth and Concord,	4,914	97,098	2,201 3	44 79/100	19 76/100	12	6,508 1/2	125,435	2,940 50	.02 34/100	45 17/100	19 27/100	12	5,810	116,930	2,947 07	.02 52/100	50 72/100	20 12/100
7	Newburyport,	7,956	146,198	3,785 0	48 92/100	18 63/100	12	24,812	438,804	8,945 57	.02 3/100	36 5/100	17 68/100	12	27,875	436,947	9,642 78	.02 20/100	34 59/100	15 67/100
12	P., S. and P. (way),	19,748	271,498	8,355 4	42 31/100	13 75/100	12	26,495	355,324	10,824 20	.03 5/100	40 85/100	13 49/100	12	29,789	385,981	12,043 79	.03 2/100	40 42/100	12 95/100
12	P., S. and P. (through,)	86,862	6,429,788	75,459 5	86 87/100	74 03/100	12	81,732 1/2	5,905,546	81,892 27	.01 38/100	1.00 19/100	72 25/100	12	83,853	6,013,878	97,469 82	.01 62/100	1.16 23/100	71 76/100
	Saugus Branch,	-	-	-	-	-	10	84,799	339,196	7,527 32	.02 22/100	08 87/100	4	12	104,224	416,896	6,561 01	.01 56/100	06 29/100	4
	M. and Connecticut Rivers,	-	-	-	-	-	12	3,216 1/2	82,741	1,155 50	.01 29/100	35 92/100	25 72/100	12	3,280	83,432	1,201 39	.01 42/100	36 62/100	25 43/100
	Northern,	-	-	-	-	-	9	1,324	34,428	582 47	.01 69/100	44	26	12	1,559	40,534	674 22	.01 66/100	43 24/100	26
	S. and Lowell, via Danvers Rail'd,	-	-	-	-	-		-	-	-	-	-	-	1 1/4	7,916	78,915	431 54	.00 55/100	05 45/100	9 96/100
	Danvers and Georgetown,	-	-	-	-	-		-	-	-	-	-	-	1 1/4	1,903	18,970	482 74	.02 54/100	25 36/100	9 96/100
	Danvers Railroad,	-	-	-	-	-		-	-	-	-	-	-	1 1/4	5,240	52,250	1,441 39	.02 76/100	27 1/2	9 97/100
	Total from Connecting Railroads,	291,256	9,898,466	137,379 3	47 17/100	34		427,785	10,777,061	170,131 55	.01 58/100	39 77/100	25 19/100		471,046	11,152,620	196,799 38	.01 76/100	41 78/100	25 80/100
12	B. and M. Regular Tickets,	536,912	8,359,765	208,535 1	38 84/100	15 57/100	12	630,352	9,560,054	234,057 74	.02 45/100	37 13/100	15 16/100	12	611,976	9,277,685	254,612 59	.02 74/100	41 60/100	15 16/100
12	B. and M. Season "	441,076	3,831,219	28,797 6	06 53/100	08 68/100	12	556,496	4,977,983	37,177 87	.00 75/100	06 68/100	8 95/100	12	675,133	5,768,262	47,738 24	.00 83/100	07 7/100	08 54/100
12	B. and M. Express "	10,288	397,294	3,990 9	38 79/100	38 61/100	12	11,180	435,910	5,622 59	.01 29/100	50 21/100	39	12	12,090	473,654	5,951 00	.01 25/100	49 22/100	39 18/100
12	B. and M. Fy. and Com'n Tickets,	71,693	575,792	11,698 8	16 32/100	08 13/100	12	89,196	764,705	15,182 92	.01 97/100	17 2/100	8 57/100	12	69,170	663,660	13,769 42	.02 23/100	19 90/100	09 59/100
12	B. and M. Conductors' Sales,	103,619	798,682	23,928 0	23 8/100	07 71/100	12	92,524	729,205	19,883 99	.02 56/100	21 49/100	7 88/100	12	105,952	855,018	24,600 13	.02 87/100	23 22/100	08 7/100
12	Picnics, Land Sales, &c.,	7,448	80,481	1,672 4	22 45/100	10 80/100	12	9,978	97,521	10,542 93	.10 81/100	1.05 66/100	9 77/100	12	23,002	232,593	13,422 42	.05 77/100	58 35/100	10 11/100
12	Miscellaneous,	-	-	6,962 3	-	-														
12	Free Passengers,	3,632	100,432	-	-	27 2/3	12	3,241	84,246	-	-	-	26	12	1,095	50,387	-	-	-	46
	Total B. and M. Railroad,	1,174,668	14,143,665	285,585 5	24 31/100	12 4/100		1,392,967	16,649,624	322,468 04	.01 94/100	23 15/100	11 95/100		1,498,418	17,321,259	360,093 80	.02 8/100	24 3/100	11 56/100
	Total B. & M. and Conn'g Roads,	1,465,924	24,042,131	422,964 8	28 85/100	16 40/100		1,820,752	27,426,685	492,599 59	01 79/100	27 5/100	15 6/100		1,969,464	28,473,879	556,893 18	.01 95/100	28 27/100	14 46/100

Statement showing the Cost, &c., of the Boston and Maine Railroad, from 1842 *to* 1854.

Year.	Cost.	Receipts from Pass's.	Receipts from Freig't	Entire Receipts.	Expenses.	Amount of Dividend.	Per cent.
1842,	$1,260,285 62	$109,681 15	$38,443 62	$155,880 69	$79,278 61	$53,130 00	6
1843,	1,384,049 72	119,434 15	52,494 05	178,744 99	109,177 15	68,490 00	6
1844,	1,485,460 93	154,944 54	70,670 14	233,101 04	137,036 14	86,401 50	6½
1845,	1,934,092 44	172,603 25	97,486 46	287,063 10	154,099 95	116,165 00	7
1846,	2,626,746 06	223,191 85	119,538 78	349,136 56	179,734 83	152,789 00	7
1847,	3,021,172 08	321,181 81	179,988 78	511,504 86	220,259 82	214,227 00	9
1848,	3,571,832 04	332,161 02	170,185 38	511,627 95	264,534 58	252,748 50	8½
1849,	3,984,057 32	332,214 00	168,974 21	522,335 51	283,510 76	195,624 00	5½
1850,	4,021,606 59	387,681 53	187,914 76	594,963 45	289,478 02	207,785 00	5
1851,	4,090,452 48	408,815 60	192,574 63	633,095 15	305,068 40	290,899 00	7
1852,	4,092,926 58	422,868 04	220,595 75	661,521 63	323,306 21	290,899 00	7
1853,	4,111,345 82	492,599 59	276,688 24	803,024 14	384,665 72	332,456 00	8
1854,	4,179,535 16	552,843 53	297,445 87	906,790 28	485,228 94	332,456 00	8

List of Actions pending in which the Boston and Maine Railroad is a party Plaintiff or Defendant.

Boston and Maine Railroad *vs.* Bartlett & Minot.—Bill in Equity to compel conveyance of Land.

N. W. Hazen *vs.* Boston and Maine Railroad.—Trespass, to try title to location.

Boston and Maine Railroad *vs.* A. H. Barrett.—Suit to collect a freight bill, which is met by a cross suit to recover damages to land.

Boston and Lowell Railroad *vs.* Boston and Maine Railroad and als.—Bill in Equity to stop "route to Lowell" and for an account.

Boston and Maine Railroad *vs.* Daniel Lawrence.—Suit to collect a bond that land damages on the Medford Branch should not exceed $15,000.

Moses & Sons *vs.* Boston and Maine Railroad.—Suit in New Hampshire to recover damages to goods in fire of 1850, at Boston Depot.

Currier *vs.* Boston and Maine Railroad.—Suit in New Hampshire by a contractor for building the road.

Boston and Maine Railroad *vs.* Boston, Concord and Montreal Railroad. Same *vs.* Concord Railroad.—Two suits for the same matter to recover amount paid by Boston and Maine Railroad for damage to a child.

N. H. Stone *vs.* Boston and Maine Railroad.—Suit for damage at accident of January 6, 1853.

Alanson Rawson *vs.* Boston and Maine Railroad.—Another suit for damage, January 6, 1853.

William Childs *vs.* Boston and Maine Railroad.—Another suit for damage, January 6, 1853.

Boston and Maine Railroad *vs.* Rhoades and al.—Suit on a ticket master's bond.

E. Smith *vs.* Boston and Maine Railroad.—Petition for assessment of land damages.

Augusta Water Power Company *vs.* Boston and Maine Railroad.—Suit for loss to baggage.

Catherine E. Beecher *vs.* Boston and Maine Railroad.—Suit for personal damage.

S. J. Whitaker *vs.* Boston and Maine Railroad.—Suit for personal damage.

B. S. Stokes *vs.* Boston and Maine Railroad.—Suit for damage, January 6, 1853. The Manchester and Lawrence Railroad defend this.

Daniel Gleason *vs.* Boston and Maine Railroad.—Suit for damages to property by overflowing on Methuen Branch.

Jane C. Langley *vs.* Boston and Maine Railroad.—Suit for damage to baggage.

James Welch *vs.* Boston and Maine Railroad.—Suit for personal damage.

Five suits on the Newburyport Railroad notes, against the different parties.

J. M. Riley *vs.* Boston and Maine Railroad.—Loss of baggage.

Emory *vs.* Boston and Maine Railroad.

Sarah B. Moulton *vs.* Boston and Maine Railroad.—Loss of baggage.

These suits are not all in my charge, as attorney, but I have them all on my docket, as I have to see that others attend to them, if I do not. I think that all the claims for personal damage and loss of baggage and freight could be compromised for from $20,000 to $25,000, if it was expedient to settle them, without regard to the justice and reasonableness of the claim.

GEORGE MINOT,

Attorney for B. & M. R. R.

Sept. 19, 1855.

[Copy of Lease.]

AN INDENTURE, of two parts, made and concluded this thirtieth day of May, in the year eighteen hundred and fifty-three, by and between the Danvers Railroad Company, of the one part, and the Boston and Maine Railroad, of the other part:—

Whereas, said Danvers Railroad Company have a right to enter with their railroad upon the railroad of said Boston and Maine Railroad, at South Reading, and have accordingly located their said railroad, and intend to construct the same; and *whereas* said Danvers Railroad Company have been authorized by the legislature of the Commonwealth of Massachusetts to lease their railroad to the Boston and Maine Railroad: now the said parties, each in consideration of the execution hereof by the other party, covenant and agree, as follows:—

First. The Danvers Railroad Company hereby lease their railroad, franchise, location, property, and all their rights and privileges, (so far as is necessary to the full enjoyment by the lessees of the rights acquired hereunder,) including all tracks, depots and other property that may hereafter be put thereon, and excepting the right to construct their railroad and to take the necessary measures therefor, to the Boston and Maine Railroad, for the term of one hundred years from the date hereof.

And said Danvers Railroad Company covenant and agree that they will proceed, with all reasonable despatch, to construct their railroad on the said location, to grade and finish the road-bed, culverts and bridges, and supply and lay the superstructure and rails, with suitable and necessary turnouts, side tracks and switches, to build and complete all needful depots, engine and car-houses, watering conveniences and signs at road-crossings, and generally to construct, make and complete their said railroad in good running order, ready for use, according to certain specifications of even date herewith, marked A, and signed by James Hayward and Joseph N. Cunningham, within the period which now is or hereafter may be limited by law for the completion of their said railroad, said time not to exceed eighteen months from the date hereof.

Second. Said Danvers Railroad Company further covenant and agree, upon demand of said Boston and Maine Railroad, after the completion of their said railroad, as above, to execute and deliver to said Boston and Maine Railroad another lease of their railroad, as completed as above, in proper form, and on the same terms contained in this indenture.

Third. And it is further agreed, that said Danvers Railroad Company shall have authority to change their location, in any legal manner, so as not to increase the expense of constructing or operating said railroad, but the termini of said railroad shall not be changed without consent of both said par-

ties; and this instrument shall apply to such new location as fully as to the present one.

Fourth. Said Boston and Maine Railroad agree to pay as rent, under this lease, or any lease to be hereafter executed, as above provided, five per cent. per annum on the cost of the railroad of the Danvers Railroad Company, to be estimated as herein provided, and to commence on the completion of said railroad, and delivery thereof into the hands of said Boston and Maine Railroad, in good running order and ready for use, as before provided; said payments to be made semi-annually, and to commence at and from six months after the completion and delivery of said railroad, as herein provided; and in reckoning said cost, shall be included all sums actually paid by the said Danvers Railroad Company on account of the location or construction of their railroad, as above, with interest at the rate of five per cent. per annum from the time of the respective payments to the company by the stockholders, to such time of completion. And if any part of the payments, as above, shall be paid after the completion of the railroad, as above, they shall be added to the cost, as above, and rents, as above, be allowed on such amounts, from the times of their payments, respectively. But said cost shall not, as a basis for rent, as above, ever in the whole exceed the sum of one hundred and fifty thousand dollars.

Fifth. Said Boston and Maine Railroad shall render, annually, within one month after the Boston and Maine Railroad make up their annual accounts, to the Danvers Railroad Company, a true and detailed account of all its expenses in operating and maintaining said railroad, and of its receipts from the business done thereon, and if, at the time of rendering any such account, it shall appear that said Boston and Maine Railroad have received from said business to such time more than the amount they shall have paid as above, including rent, they shall pay to said Danvers Railroad Company such excess.

Sixth. And the expenses of maintaining and operating the said railroad, as above, shall be reckoned per mile run by trains, at the same sum it costs said Boston and Maine Railroad for the current year, per mile run, for operating and maintaining their own railroad and branches, including said Danvers Railroad, unless and so far as the President of the Western Railroad Company for the time being shall certify in writing to said parties that such sum is more or less than the actual cost of so operating and maintaining said Danvers Railroad, when the actual cost, so certified by him, is to be taken; and for that purpose such President of the Western Railroad shall have full and free access to the books of accounts of the Boston and Maine Railroad.

After the completion of the railroad, as above, the Boston and Maine Railroad agree to operate and maintain the same, so as reasonably to accommodate the public, and to pay all the expenses of so operating and maintaining said railroad, and are to have all the benefits of, and to perform all the obligations of the Danvers Railroad Company, under and by virtue of a contract between the Newburyport Railroad Company and the Danvers and Georgetown Railroad Company, of one part, and said Danvers Railroad Company, of the other part, dated May 27th, 1853.

Said Boston and Maine Railroad agrees to draw over their own railroad and every portion thereof, between said South Reading and Boston, the trains of the Danvers Railroad, and the trains of the Danvers and Georgetown Railroad, and of the Newburyport Railroad, mentioned in said contract, dated May 27th, 1853, promptly and speedily, and to charge for freight and passengers as favorably, as they do to any other railroad running its trains over their railroad, regard being had to all the circumstances, and on as favorable terms as said Danvers Railroad Company agrees in said contract, dated May 27th, 1853, to draw the trains of the Newburyport and Danvers and Georgetown Railroads.

If a consolidation of the Danvers Railroad Company and the Danvers and Georgetown Railroad Company, or of the Danvers Railroad Company and the Danvers and Georgetown Railroad Company and Newburyport Railroad Company, shall hereafter be made, as now authorized by law, such consolidated company shall have all the rights of the Danvers Railroad Company hereunder, on performing all the duties of the Danvers Railroad Company hereunder, and giving to said Boston and Maine Railroad all the rights of the Danvers Railroad Company, under its contract with the Danvers and Georgetown Railroad Company and the Newburyport Railroad Company, above referred to

The Danvers Railroad Company, if they shall hereafter consolidate, as above, with either of said companies, shall refer to and cause to be confirmed, this indenture and said contract, in any agreement for such consolidation.

It is further agreed, that until a consolidation shall take place, as above, said Danvers Railroad Company shall continue their organization, so far as shall be necessary to maintain their legal existence and receive their rents and pay out their dividends, and do all necessary legal acts; and the reasonable expenses thereof shall be borne by said Boston and Maine Railroad, and be considered a part of the expense of operating said Danvers Railroad.

Said Danvers Railroad Company shall construct said Danvers Railroad with all proper economy, paying reasonable and fair prices for the work done and materials purchased; and said Danvers Railroad shall be deemed completed hereunder, when James Hayward, of Boston, Joseph N. Cunningham, of Seekonk, and Simeon Borden, of Fall River, or a majority of them, shall certify in writing to said parties that said railroad has been completed as provided above; and said Hayward shall, at all times, have liberty to inspect the books and contracts of said Danvers Railroad, and to examine the work and materials on their railroad, whilst in process of construction.

In testimony whereof, the said parties have hereunto interchangeably (as also unto a duplicate hereof) set the respective seals of said parties, and the hands of the officers, respectively, thereunto authorized, this thirtieth day of May, in the year eighteen hundred and fifty-three.

WILLIAM D. NORTHEND,
President of the Danvers Railroad Co. [SEAL.]

GEO. F. CHOATE,
Treasurer of the Danvers Railroad Co. [SEAL.]

In presence of
STEPHEN B. IVES, Jr., witness to signatures of
W. D. Northend and George F. Choate.

BOSTON AND MAINE RAILROAD,
By SOUTHWORTH SHAW, *President.* [SEAL.]

GEORGE MINOT.

COMMONWEALTH OF MASSACHUSETTS.

ESSEX, ss. *May* 30, 1853. Then personally appeared, William D. Northend and George F. Choate, above-named, and acknowledged the above instrument to be the free act and deed of the Danvers Railroad Company.

Before me, STEPHEN B. IVES, Jr., *Justice of the Peace.*

SUFFOLK, ss. *May* 30, 1853. Then personally appeared, the above Southworth Shaw, and acknowledged the above to be the free act and deed of himself and of said Boston and Maine Railroad.

Before me, GEORGE MINOT, *Justice of the Peace.*

A.

Specifications of Labor and Materials, referred to in the Lease of the Danvers Railroad Company to the Boston and Maine Railroad, dated May 30, A. D. 1853:

The road-bed of said Danvers Railroad to be of a single track, except at the depots and turnouts, where it shall be for a double track, for such reasonable distances as the engineer may determine.

The road-bed shall be fifteen feet in width at the grade line throughout. The cuts shall be twenty-five feet in width at the grade line.

The slopes shall be one and a half feet base to one foot rise, except in rock cuts, where they shall be one foot base to six feet rise.

The road-bed shall consist of free sand and gravel to the depth of two feet, and when other materials shall be found in the excavations, they shall be removed to the depth of at least two feet below grade. The ditches shall be at east two feet below grade. The culvert masonry, including bank walls, passages for cattle and cattle guards, excepting walls over seven feet high, shall be of good rubble, well binded and laid in a workmanlike manner.

The bridge masonry shall include all abutments over seven feet high, and shall be of coursed masonry, well bound together by proper headers and stretchers, and compactly laid. The headers shall extend through all the walls where the thickness does not exceed five feet. The headers and stretchers to be dressed on the heads and builds, and laid without pinners.

The gradient lines shall conform substantially with the profiles drawn by J.

N. Cunningham, C. E., and signed by J. N. Cunningham and James Hayward, and the maximum grade shall be fifty feet to the mile.

The sleepers shall be of chestnut or cedar, not less than six inches thick, and six inches face, and shall be laid, on an average, not more than two and a half feet apart.

The rails shall be of the weight of fifty pounds to the yard. The chairs on which the rails rest shall be of wrought iron, six inches wide and five-eighths of an inch thick on the bottom.

Proper switches and turnouts, and a proper connection with the Danvers and Georgetown Railroad and with the Boston and Maine Railroad, shall be made.

Fences shall be legally and substantially bullt, with posts of cedar and chestnut, set three feet in the ground, and of a suitable size. Depots suitable for passengers and freight, shall be erected and constructed at North Danvers and a station-house at Tapleyville, and one at the junction of the Danvers Railroad with the Salem and Lowell Railroad, and one at Lynnfield Centre, and one at South Reading; and also an engine-house, wood-house and turn-table, at such places as the Boston and Maine Railroad shall request.

Provided, That said Danvers Railroad Company shall not be required to expend more than eight thousand dollars in all, in erecting and constructing all of the same, and that the Boston and Maine Railroad may erect and construct all of the same at their own cost and charge, receiving from said Danvers Railroad Company the said sum of eight thousand dollars therefor.

JAMES HAYWARD.
J. N. CUNNINGHAM.

[Copy of Contract.]

MEMORANDUM OF AGREEMENT, made this twenty-seventh day of May, in the year of our Lord eighteen hundred and fifty-three, by and between the Newburyport Railroad Company and the Danvers and Georgetown Railroad Company, of the first part, and the Danvers Railroad Company, of the second part.

The said party of the second part having a right by law to locate and make their railroad so as to enter upon and connect with the Danvers and Georgetown Railroad, and said Danvers and Georgetown Railroad Company having a right to enter upon and connect with said Newburyport Railroad, and the said companies having authority to contract with each other for the operating of their railroads; and whereas the said Danvers and Georgetown Railroad Company and the said Danvers Railroad Company propose to build their respective railroads,—the parties agree that the tracks of their respective railroads shall be united and connected by suitable switches, frogs, sidetracks and turnouts, so as most conveniently to accommodate the passage of cars from the railroad of the said party of the second part to and from the railroads of said parties of the first part, at the expense of said party of the second part:

And the said parties of the first part agree to take and draw the trains of said party of the second part to and from the junction of the railroads of the Danvers Railroad Company and the Danvers and Georgetown Railroad Company, to and from such place or places, on either of the railroads of the said parties of the first part, as said party of the second part shall require; and the said party of the second part agrees to take and draw to and from said junction the trains of said parties of the first part, or either of them, to and from such place or places, on the railroad of said party of the second part, as said parties of the first part or either of them shall require:

The times of starting and the number of trains are to be regulated and fixed upon by the party whose trains are received and run, as above provided, over the railroad or railroads of the other party, and said trains shall have preference over other trains in making up the time tables; and if the time tables interfere, the trains of said party of the second part are to have the preference; and all the trains shall be drawn by good engines, to be kept in readiness on the arrival of trains, and at a reasonable speed, equal to that of any other trains of a similar class over the same railroad:

No cars to or from any other railroad than the railroads of the parties hereto, excepting those from the Boston and Maine Railroad, shall be attached to any of said trains, nor shall said trains be required to wait for trains on other railroads:

And the parties agree that all trains while upon the railroad of either of the parties hereto, in all respects except as herein otherwise provided, shall be under the control of the party upon whose railroad they may be. If the fares and prices of freight in such trains over the railroads of both said parties cannot be agreed upon, they shall be the same as the local fares on the railroads respectively: *provided*, that no higher rates of fare shall be charged, directly or indirectly, by either of said parties in such trains, than are charged by the same party in trains over their railroads in connection with other railroads, than those of the parties hereto; but either company may charge less than its local fares for passage or freight in such trains, except that they shall not reduce the fares and prices of freight between Bradford or Haverhill and Boston, over these railroads, to a less amount than the fares of freight upon the Boston and Maine Railroad, for the time being, between said places, and the fares between Boston and Newburyport by this route shall be at as low a rate as by any other railroad route between said places, excepting that neither railroad shall be required to take less than their *pro rata* of fifty cents per passenger between Newburyport and Boston, exclusive of season, commutation and family tickets:

The said parties of the first part may furnish the cars for such trains to be run over all the roads of the parties hereto, so long as they shall do the same in a reasonable manner, both as to number and quality, and so as fairly to accommodate the travel and freight over these railroads; and if the said parties of the first part shall not so furnish them reasonably, the party of the second part may furnish such cars themselves, and require the same to be drawn over the railroads of the said parties of the first part, and be allowed therefor the same terms given to said parties of the first part.

And it is further agreed, that the through fares and freight shall be divided between the parties *pro rata*, according to the distance run upon each railroad, except that the party furnishing cars shall receive for the use and risk of the same a reasonable compensation.

Either party may require the other party to pay for its trains exceeding three passenger and one freight train per day, each way, twenty-five per cent. above the actual cost of the same per mile, and the average expense per mile of running all the trains of such railroad during the preceding year, including all expenses of every kind, except interest upon the cost of construction, shall be deemed the actual cost, as above; and in such case, if either party shall so request, such other company shall make the same an express train, and shall receive no part of the through fares of such train. Each party shall furnish the necessary facilities in tracks, turnouts, passenger and freight depots, ticket masters, and all other accommodations for doing that portion of the business done on its own road, and the loading, unloading and delivery of freight on each railroad shall be done by its own agents, and the company owning such railroad shall be allowed a reasonable compensation therefor.

This agreement shall continue in force one hundred years from the date hereof.

This agreement is to be void if a lease of the Danvers Railroad to the Boston and Maine Railroad shall not be executed within sixty days from the date hereof.

In witness whereof the parties hereto have caused their respective seals and the signatures of their respective Presidents and Treasurers to be affixed interchangeably hereto, and also to two others of like tenor and date, the day and year above written.

CHAS. J. BROCKWAY,
President Newburyport R. R. Co. [SEAL.]
M. E. HALE,
Treasurer Newburyport R. R. Co.

In presence of
HENRY FROTHINGHAM, witness to the signatures of
C. Brockway and M. E. Hale.

WILLIAM D. NORTHEND,
President Danvers and Georgetown R. R. Co. [SEAL.]
W. N. CLEAVELAND,
Treasurer Danvers and Georgetown R. R. Co.

J. H. KEITH, to
W. D. N. and W. N. C.

WILLIAM D. NORTHEND,
President Danvers R. R. Co. [SEAL.]
GEO. F. CHOATE,
Treasurer Danvers R. R. Co.

S. B. IVES, Jr., witness to the signatures of
W. D. Northend and George F. Choate.

[Copy.]

AN INDENTURE of two parts, made and concluded this first day of March, A. D. one thousand eight hundred and fifty-five, by and between the Danvers Railroad Company of the one part, and the Boston and Maine Railroad of the other part.

Whereas the said Danvers Railroad Company has a right to enter with their railroad upon the railroad of the said Boston and Maine Railroad at South Reading, and have accordingly located their said railroad, and nearly finished the same as agreed upon, and whereas said Danvers Railroad Company has been authorized by the Legislature of the Commonwealth of Massachusetts, to lease their railroad to the Boston and Maine Railroad, and whereas by an indenture between said parties, dated May 30th, A. D. one thousand eight hundred and fifty-three, the Danvers Railroad Company covenanted and agreed after the completion of their railroad to execute and deliver to said Boston and Maine Railroad another lease of their railroad as completed, as will more fully appear by reference to said indenture. Now the said parties, each in consideration of the execution hereof by the other, covenant and agree as follows:—

First, The Danvers Railroad Company hereby lease their railroad, franchise, location, and property, including all tracks, depots and other property, which are now or may hereafter be put thereon, and their second and additional location to the Boston and Maine Railroad for the term of one hundred years from the said 30th day of May, A. D. one thousand eight hundred and fifty-three.

Said Boston and Maine Railroad agree to pay absolutely as rent under this lease, seven thousand and five hundred dollars ($7500) per annum, the said payment to be made semi-annually, to commence from the 30th day of November, A. D. one thousand eight hundred and fifty-four, the first payment to be made on the first day of May, A. D. one thousand eight hundred and fifty-five: and to pay contingently such further sum, if any, as shall result from operating said railroad, upon the terms and in the manner hereinafter set forth. And whereas said Danvers Railroad Company propose to issue their promissory notes or obligations to the amount of ($125,000 00) one hundred and twenty-five thousand dollars, payable in twenty years from the first day of March, A. D. one thousand eight hundred and fifty-five, with interest semi-annually, for the purpose of obtaining means to be appropriated towards the satisfaction of their debts and liabilities. It is hereby further agreed by the parties hereto, that said Boston and Maine Railroad shall act as the agents of the said Danvers Railroad Company in paying the interest thereon, and in case said Danvers Railroad Company shall fail to seasonably provide the

means to pay, and pay as the same becomes due, the semi-annual interest upon said notes or obligations so to be issued, and pay and cancel any coupons which may be given therefor, to the holders thereof, including any held by said Boston and Maine Railroad, that then and thereupon said interest or coupons shall be at once paid by the said Boston and Maine Railroad, without any demand on said Danvers Railroad Company, to said holders from out the rent due or to grow due under this lease, and such payment shall be deemed a payment to said Danvers Railroad Company under this lease, and be chargeable thereto, with interest in case such rent shall not be then due. And it is further agreed between the parties hereto that in case said Danvers Railroad Company shall fail to pay to the holders of such notes or obligations the principal sum or amount thereof, or to cancel such notes or obligations at maturity, that then and thereupon the said Boston and Maine Railroad shall at once advance and pay from out the absolute and contingent rents and payments to grow due during the residue of the term of this lease, the whole amount or principal of said notes, including all those held by said Boston and Maine Railroad, which payments shall be deemed a payment in advance of said rents and other payments to said Danvers Railroad Company, and be chargeable thereto with interest semi-annually until the amount so advanced shall be repaid; and, until such repayment, said rents and payments shall all be applied to the repayment of said Boston and Maine Railroad. And for the purpose of securing said Boston and Maine Railroad complete reimbursement for said advance and interest, said Danvers Railroad Company shall deliver of the promissory notes or obligations thus to be issued by it, notes to the amount of ($5000) five thousand dollars to be by said Boston and Maine Railroad held, and with the interest thereon accumulated and invested semi-annually at six per cent. as it accrues, as security for said advance so to be made as aforesaid.

And for the purpose of affording security to the holders of said notes or obligations it is further agreed that said Boston and Maine Railroad shall, by an appropriate agreement, indorsed or written upon each of said notes, promise to pay, advance and apply said rents to the payment of the principal and interest of said notes in manner as aforesaid.

Said Boston and Maine Railroad shall render annually, within one month after the Boston and Maine Railroad make up their annual accounts, to the said Danvers Railroad Company, so far as is practicable, a true and detailed account of all its expenses in operating and maintaining said railroad, and of its receipts from the business done thereon; and if, at any time of rendering such account, it shall appear that said Boston and Maine Railroad have received more than the amount they shall have paid as above, including rent, such amount shall be deemed additional rent payable under this lease.

And the expenses of maintaining and operating the said Danvers Railroad as above shall be reckoned per mile run by trains at the same rate it costs the said Boston and Maine Railroad for the current year per mile run for operating and maintaining their own railroad and branches, including said Danvers

Railroad, unless, and so far as the President of the Western Railroad Company for the time being shall certify in writing to said parties that such sum is more or less than the actual cost of so operating and maintaining said Danvers Railroad, when the actual cost so certified by him is to be taken; and for such purpose said President of the Western Railroad Company shall have full and free access to the books of accounts of the Boston and Maine Railroad.

Said Boston and Maine Railroad agree to operate and maintain so as reasonably to accommodate the public the said Danvers Railroad, and to pay all the expenses of so operating and maintaining said railroad, and are to have all the benefits of, and to perform all the obligations of the Danvers Railroad Company, under and by virtue of a contract between the Newburyport Railroad Company, and the Danvers and Georgetown Railroad Company of one part, and the Danvers Railroad Company of the other part, dated May 27th, A. D. 1853.

Said Boston and Maine Railroad agree to draw over their own railroad and every portion between said South Reading and Boston, the trains of the Danvers Railroad Company and the trains of the Danvers and Georgetown Railroad Company mentioned in said contract, dated May 27th, 1853, promptly and speedily, and to charge for freight and passengers as favorably as they do to any other railroad company running its trains over their railroad, regard being had to all the circumstances, and on as favorable terms as said Danvers Railroad Company agrees in said contract, dated May 27th, A. D. 1853, to draw the trains of the Newburyport and the Danvers and Georgetown Railroad Companies. And it is further agreed that the amount of fares received from passengers and freight going over both the Boston and Maine and the Danvers Railroads shall be considered as earned *pro rata* per mile travelled over, and shall be accordingly apportioned in settlement.

It is further agreed that said Danvers Railroad Company shall continue their organization so far as shall be necessary to maintain their legal existence and receive their rents and pay out their dividends, and do all necessary legal acts; and the expenses of the same, to the amount of one hundred dollars per annum, and no more, shall be borne by the Boston and Maine Railroad, and be considered a part of the expenses of operating the said Danvers Railroad; provided, however, that if by any subsequent acts of the Legislature the actual expense and trouble of maintaining such organization shall be increased, then the amount so to be borne therefor by the said Boston and Maine Railroad shall be increased proportionally.

Said Danvers Railroad Company shall finish the construction of said Danvers Railroad, according to the terms of the indenture of May 30th, A. D. 1853, above referred to, and the same shall be deemed completed when James Hayward of Boston, Joseph W. Cunningham of Seekonk, and Simeon Borden of Fall River, or a majority of them, shall certify in writing to said parties that said railroad has been completed as provided above; and said Hayward shall at all times have liberty to inspect the Books and Contracts of said

Danvers Railroad Company, and to examine the work and materials on their railroad while in process of completion.

In testimony whereof the said parties have hereto interchangeably (as also unto a duplicate hereof,) set the respective seals of said parties, and the hands of the officers thereunto authorized, this first day of March, in the year one thousand eight hundred and fifty-five.

Danvers Railroad Company, by
WILLIAM D. NORTHEND, *President.*
GEO. F. CHOATE, *Treasurer.* [SEAL.]

In presence of
GILBERT TAPLEY.

The Boston and Maine Railroad, by
JAMES HAYWARD, *President.* [SEAL.]

Witness to signature of James Hayward.
H. B. WILBUR.

COMMONWEALTH OF MASSACHUSETTS.

ESSEX, ss. *May* 16, A. D. 1855. Then personally appeared the above named William D. Northend, and acknowledged the above to be his free act and deed, and the free act and deed of said Danvers Railroad Company.

Before me,
JOHN CHAPMAN, *Justice of Peace.*

THIS INDENTURE, made and concluded this fourteenth day of July, eighteen hundred and fifty-five, by and between the Eastern Railroad Company, party of the first part, and the Boston and Maine Railroad party of the second part, (both of said parties being corporations) witnesseth:—

Said parties, in order as far as possible to promote both the public interest and their own, by providing for the public accommodation at the least expense do, each in consideration thereof and of the execution of this indenture by the other, agree with each other as follows:—

ARTICLE FIRST. Each party which shall do in whole or in part any business herein defined to be the proper business of the other, shall refund to the other party all its receipts therefrom, after deducting the expense of doing said business, said expenses to be estimated as follows, viz.:—at three quarters of a cent per mile carried for every passenger or ton of freight, with twenty cents per ton for depot charges on each ton of freight, and no allowance is to be made for any payment to other roads for use of, or risk of cars or for other services.

Provided however, that if either party shall refuse or unreasonably neglect to provide accommodation for any portion of its proper business as herein defined, and thus force it on the road of the other party, then the business so received, shall be considered as the proper business of the party which receives it, and such latter party shall retain the whole of the receipts therefrom.

ARTICLE SECOND. The business between Boston (as one terminus) and either of the following towns, to wit: Chelsea, Saugus, Lynn, Salem, Beverly, Ipswich, Newburyport, Hampton, Greenland, and Portsmouth, and all places lying on or southeasterly of this line of towns as the other terminus, shall be considered (for the purposes of this agreement) as the proper business of the said Eastern Railroad Company, and the business between Boston (as one terminus) and either of the following towns, to wit: Malden Centre, Melrose, South Reading, Reading, Andover, Lawrence, North Andover, Bradford, East Kingston, Exeter, Newmarket, Durham, Dover, Great Falls, (Somersworth,) Salmon Falls, and South Berwick Village, and all places lying on or northwesterly of this line of towns (as the other terminus) shall be considered (for the purposes of this agreement) as the proper business of said Boston and Maine Railroad. And any voluntary arrangement hereafter made or renewed by either party designed to bring to its own road, or any part of it, without the consent of the other party, any of the business thus specified as the proper business of the other, shall be considered as a violation of this indenture.

And it is understood that both roads shall coöperate to avoid a reduction of fares by which either road would be injured in its own proper business. And

in construing this and the next article, Charlestown, and Somerville, are to be considered as a part of Boston, and no business is included which does not start from or come to Boston, Charlestown or Somerville.

Article Third. The business between Boston as one terminus and either of the following places, to wit: South Malden, East Malden, (or Maplewood station) and South Danvers station, shall (for the purposes of this agreement) be considered as the proper business of the said Eastern Railroad Company.

The business between Boston as one terminus and either Danvers Plains station or any station on the Newburyport Railroad, (other than at Newburyport, Haverhill or Bradford) or any station on the Essex Railroad between North Danvers and North Andover, as the other terminus, shall not be considered the peculiar business of either party; and the party carrying the most passengers or tons of freight constituting such business, shall pay over to the other one half the receipts for such excess, after deducting the expense of doing said excess reckoned as above.

The said Boston and Maine Railroad shall not be required to haul the cars of the South Reading Branch Railroad, except by its own regular trains. And the receipts from business done by the Boston and Maine Railroad and said Branch, shall (except as to that between South Danvers station or Salem and Boston, which is herein elsewhere provided for) be divided pro rata as heretofore.

All South Reading Branch Railroad passengers, freight and cars shall, while on the Boston and Maine Railroad, be at the risk of the Eastern Railroad, except passengers and freight from or to points short of South Danvers station.

The Boston and Maine Railroad shall not interpose any objection to the discontinuance of said South Reading Branch Railroad.

Article Fourth. For the purpose of reckoning the receipts of said corporations and of the mileage to be allowed under this indenture, the following railroads, viz., The Saugus Branch Railroad and the Essex Railroad, shall be deemed to be part of the said Eastern Railroad, and the Danvers Railroad shall be deemed part of the said Boston and Maine Railroad.

Article Fifth. The receipts from business over any parts of the Portland, Saco and Portsmouth Railroad to or from the road of either of the parties hereto, shall be divided according to existing arrangements, and the same shall be extended to any other road from Portland that shall be constructed to the road of either of the parties hereto. And the contract for operating said Portland, Saco, and Portsmouth Railroad, shall be carried out in good faith by the parties hereto.

Article Sixth. Each of said parties shall keep its accounts and make its arrangements as to tickets and otherwise, so as to show as fully as possible all business done by it in which the other party has any interest under this agreement.

Article Seventh. Each of said parties shall appoint a commissioner (and in case of a vacancy shall make another appointment) and the two shall have power to hear and settle every dispute which may arise between the par-

ties as to the meaning of this agreement, or as to any alleged violations of it, or as to any arrangement necessary to give it full effect, and in case of a disagreement said commissioners shall appoint an umpire whose decision shall be final.

And said parties each agree to perform and execute all decisions of said commissioners or umpire, as to any of said matters of dispute, and on a wilful failure of either party so to do, the other party may in addition to any other redress it may be entitled to, at its election with the consent of said commissioners or umpire, be absolved from performing its part of this indenture.

ARTICLE NINTH. This agreement shall be considered as taking effect on the first day of June, 1855, and shall be continued in force for the term of ten years, and the further term of one year from notice in writing given after the expiration of said term by either party to the other of its election to terminate it.

Settlements shall be made monthly hereunder.

In testimony whereof said parties have hereto set their respective seals and the signatures of persons duly authorized, the said 14th day of July, 1855.

The Boston and Maine Railroad, by
JAMES HAYWARD, *President.*

Eastern Railroad Company, by
ALBERT THORNDIKE, *Treasurer.*